No. 29,274

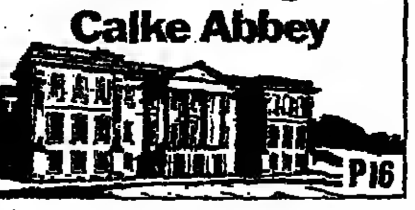
FINANCIAL TIMES

PUBLISHED IN LONDON AND FRANKFURT

Saturday March 17 1984

BUDGET LIFE ASSURANCE When it still pays P9

ARTS The saving of Calke Abbey P16



BUDGET FAMILY FINANCE The Masseys fight it out P18

THE MINERS' DISPUTE Why Scargill relies on his red guards P19

BUDGET MAN IN THE NEWS He came to praise Howe... P30

BUDGET PROPERTY The good news and the bad P12

WORLD NEWS

Man charged with London bomb deaths

Thomas Quigley, a Northern Irishman, has been charged with murder and attempted murder in connection with bomb explosions in London in late 1981.

He had previously been charged with conspiring to cause explosions, and now faces charges of trying to kill Royal Marine Commander Sir Steuart Pringle near his home, killing two people outside Chelsea barracks, killing bomb disposal expert Kenneth Howorth in Oxford Street, and with placing explosive devices in Oxford Street and at the home of Attorney General Sir Michael Havers.

He was remanded in custody until March 23.

Beirut envoy kidnapped

Gunmen kidnapped U.S. diplomat William Buckley outside his home in Moslem-controlled West Beirut. Page 2

EEC budget hopes fade

The Government is not optimistic that a deal on restructuring the EEC budget will be reached at the heads of government summit next week. Back Page

Acquittal provokes riots

Sixty people were arrested during violence in black areas of Miami after a white jury acquitted a white policeman who shot dead a black man.

White House shooting

Police shot and wounded a man carrying a sawn-off shotgun outside the White House. Earlier, another man was arrested after scaling the White House fence.

Glenn quits poll race

Senator John Glenn, a former astronaut, pulled out of the race for the Democratic Party presidential nomination. Page 2

Nasties Bill for Lords

The Bill to outlaw "video nasties" had an unopposed third reading in the Commons. It now goes to the Lords and should be law by summer. Page 3

More Hong Kong talks

Chinese and British negotiators are to meet more often for talks on Hong Kong's future.

Phone tapping law plan

The Government will introduce legislation in autumn to bring phone tapping under statutory control.

Sudan mystery bombing

An unidentified aircraft dropped five bombs on Omdurman, across the Nile from the Sudanese capital Khartoum, killing three people. Page 2

Salvador attacks grow

El Salvador's army has sharply increased attacks on guerrilla-held territory, trying to seize the initiative before the March 25 presidential elections. Page 2

Botham walks

Cricketer Ian Botham was up and walking after an exploratory operation in Birmingham on an injured knee, and will not need more surgery.

Welcome for big shots

China is to resume gun salutes for foreign leaders — 21 for heads of state and 19 for heads of government — in time for President Reagan's visit to Peking next mooth.

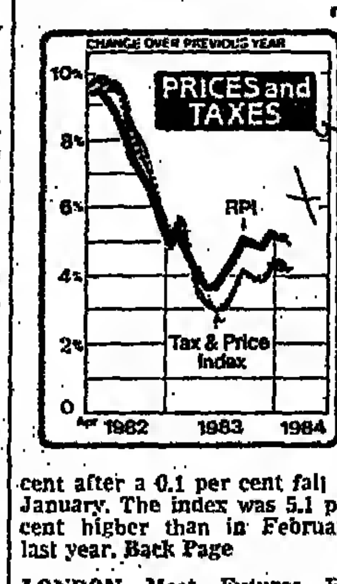
BUSINESS SUMMARY

TUC boycott 'puts NEDC at risk'

TRADE UNION leaders have been warned by senior officials of the National Economic Development Council that it may not survive a long boycott by the TUC.

A special meeting of the TUC general council on Monday may confirm the boycott, which started in protest over the Government's ban on unions at its Cheltenham communications headquarters. Back Page

ANNUAL inflation rate was static at 5.1 per cent in February with Employment Department figures showing the retail price index up 0.4 per



cent after a 0.1 per cent fall in January. The index was 5.1 per cent higher than in February last year. Back Page

LONDON Meat Futures Exchange, Europe's first, opened with heavy trading in pigmeat. Page 3

SWEDEN'S 1.5m public sector workers accepted pay increases of 8 to 9 per cent over the next two years, bolstering Prime Minister Olof Palme's anti-inflation drive. Page 2

BRISTOL City Council is to borrow £55m repayable over three years from the Trustees Savings Bank to tackle capital debt problems caused by the cost of the municipally-owned port. The loan is believed to be the largest raised by a local authority from a bank

PRINT UNION, the National Graphical Association, unveiled conditions under which it would accept the introduction of new technology in the provincial newspaper industry. Page 4

VOSPER Ship Repairers of Southampton laid off its 700 workers after their refusal to lift an overtime ban. Page 4

RANK Foundation, advised by N. M. Rothschild, has halved its stake in Rank Organisation through a placing of 10.37m shares to raise £26.4m, leaving it with a 4.95 per cent stake. Page 20

BANKING unions asked for assistance of the Advisory, Conciliation and Arbitration Service after the five main clearing banks failed to raise their 5 per cent pay offer. Page 4

OVERSEA-CHINESE Banking Corporation reported a 7 per cent fall in after-tax profits to S$114.07m (£37.8m) for the year to December 3, compared with S$122.61m. Page 25

JOHN FAIRFAX, Sydney-based publishing and broadcasting group, increased net earnings by 84 per cent to A$17m (£11.4m) for the half-year to December 31. Page 25

HEAD WRIGHTSON (Teesdale), process plant fabricator with 350 employees on Teesside is being put up for sale by parent company Davy Corporation. Page 3

Pit ballots show large vote against strike

BY JOHN LLOYD AND RAYMOND HUGHES

MINEWORKERS in the Midlands, the North-east and the North-west coalfields are voting heavily against strike action.

There was no sign last night, however, that this would lift the pickets from their pits or deter the National Union of Mineworkers' leadership from pursuing national strike action against pit closures.

The National Coal Board yesterday won leave to the High Court to bring an action for contempt against the NUM Yorkshire area for defying the two injunctions granted to the board on Wednesday.

The area faces heavy fines or sequestration of assets if it refuses to pay. A number of the militant areas are understood to have removed their funds from bank accounts and are holding them in cash or have transferred them abroad.

The first sizeable ballot result, reported yesterday, was that of the Midlands area. Miners voted 7,556 to 2,804 against strike action.

In the smaller south Derbyshire area 2,303 voted against a strike, with only 453 in favour.

The Lancashire coalfield showed a smaller majority of 3,765 to 2,596 against a strike. In the last ballot it voted exactly according to the national average.

NCB officials believe the ballot in the big Nottinghamshire area, to be announced today, will show a majority against striking of between 3 to 1 and 4 to 1.

Mr Joe McKie, Midlands area president, said after announcing the vote: "We are advising our members on the grounds of safety not to go into work and to go home if they are confronted by mass pickets."

He admitted that "the reason they voted that way was the ugly scenes they have seen on their TV in the Nottinghamshire area."

Mr Neil Kinnock, Labour Party leader, condemned picket line violence and told miners: "The best way to picket is the peaceful way."

The Northumberland area ballot announcement was delayed last night, apparently by the need for recounts. Mr Denis Murphy, area president, earlier pre-empted the result when he said: "Even if the majority vote to return to work, they will continue to refuse to cross picket lines of men from other areas."

The NCB's court move indicates its determination to act swiftly and positively against the union. Yesterday morning was the earliest it could have returned to court to report the union's reaction to the court's orders.

It is considering taking out injunctions against other areas whose members are picketing pits other than their own — but no decision has been made. NCB officials do not believe the NUM leadership will back down and are bracing themselves for an even tougher week.

The extent of police power against pickets was clarified in the Commons by Sir Michael Havers, the Attorney General.

The police had power to stop flying pickets' vehicles and turn them away. "The freedom to picket is not a licence to obstruct or intimidate. If pickets by sheer numbers seek to stop people going to work they are not protected by law since their purpose is to obstruct rather than to persuade."

Only 11 collieries were working normally yesterday, the lowest so far. The pickets' success in stopping production will encourage the NUM leadership to try to stop coal being used, particularly at power stations.

Mr Arthur Scargill, NUM president, told his members in

Continued on Back Page
Votes against pit strike, Page 4; Feature, Page 19

SE council to debate reforms

BY JOHN MOORE, CITY CORRESPONDENT

A WIDE-RANGING programme of reform for the British stock market is to be studied on Tuesday by the ruling council of the Stock Exchange.

The reforms will lead to radical changes in the way the stock market conducts its business and the relaxation of rules limiting outside stakes in Stock Exchange firms to 29.9 per cent.

A 60-page draft discussion document for the council meeting is understood to argue that the rules limiting outside ownership of Stock Exchange firms to 29.9 per cent shareholdings should be relaxed but urges that adequate provisions should be made for retaining control over firms owned by outsiders.

It is suggested that the present functions of stockbrokers who act as agents and stockjobbers who act as principals and market makers may be merged in the face of commercial pressures.

Once such dual capacity is introduced the report suggests that there may be a combination of broking and jobbing in carrying out deals or that brokers may act as dealers in any new system.

The report says extensive technology will be required in the new structure of the Stock Exchange.

It also discusses the optimum number of lay members of the council and the future roles they should perform once the realignments and structural upheavals in the Stock Exchange are completed.

The report, which will be made public next month for further comment, comes as the Stock Exchange is undergoing the most extensive period of structural change in its history.

Its drafting has been supervised by Mr John Young, the Stock Exchange's policy and planning director, and it is based on two reports prepared by Mr Patrick Mitford-Slade and Mr Charles Eglinton, both senior members of the Stock Exchange council.

Mr Mitford-Slade and a co-ordinating committee have studied the implications for the Stock Exchange and the market of the structural changes. Mr Eglinton and another co-ordinating committee have studied the membership implications of the changes.

The changed structures will require new dealing mechanisms and a system to protect investors to ensure that verifiable prices on transactions are being charged by brokers. A display mechanism is being considered so that investors can see whether they are being charged the fair market price.

A continuous tape showing prices, as used in the New York Stock Exchange, has been considered but it was felt that a tape system may move too fast to allow investors a real opportunity for assessment.

A visual display unit system for the indication of prices is also under consideration.

On the question of the relaxation of the rules limiting outside ownership of Stock Exchange firms, a key issue to be resolved at next week's council meeting is a timetable for such a relaxation.

S. Africa and Mozambique sign treaty

BY J. D. F. JONES IN KOMATIPOOR, MOZAMBIQUE BORDER

SOUTH AFRICA and Mozambique yesterday signed a non-aggression treaty at an ambitious public ceremony here on the border between the two countries.

This is the first such pact between the white-controlled Republic and any of the independent black states of the region.

Both Mozambique's President Samora Machel and Mr P. W. Botha, South Africa's Prime Minister, described the occasion as an historic moment for the region. But only one of the neighbouring governments—Swaziland—was represented by its head of government and not by an ambassador.

The "Accord of Nkomati," is intended to stop Mozambique assisting guerrillas of the banned African National Congress operating against South Africa and, conversely, to block any South African assistance to the Mozambique Resistance (MRM). This dissident movement has been operating inside Mozambique.

But the clauses of the accord published yesterday, were stronger and more precise than had been expected. They included the agreement of the governments to:

- Forbid and prevent the organisation of irregular forces or armed bands, including mercenaries by each other's enemies.
- Eliminate bases, training centres, places of shelter, accommodation and transit for use by the enemies.
- Eliminate aramaments bases, command posts, communications facilities, and broadcasting stations, and to prohibit recruitment, abduction, and acts of propaganda that incite a war of aggression or acts of terrorism.

A Joint Security Commission is to be set up to supervise and monitor the agreement.

The success or otherwise of yesterday's accord can be judged only by how far it succeeds in enforcing these prohibitions. The restraint on the MRM — if it is implemented rigorously — appeared to be particularly clear.

On the other hand, the clauses seemed to permit a continuing ANC presence in Maputo so long at it was strictly diplomatic and not military or propagandist.

In their speeches both leaders referred to their countries' common suffering under colonialism. They also admitted that they were government by very different ideologies.

A large number of leading businessmen attended the ceremony. South Africa is anxious to encourage a re-involvement of its private sector in the Mozambique economy.

Michael Holman adds from Lusaka: ANC condemned the accord, implicitly criticised the black frontline states and pledged an intensification of its guerrilla activity in the Republic. It was the ANC's first official reaction to the pact.

The loss of Mozambique as a springboard for guerrilla incursions into South Africa is a severe blow for the ANC. Zimbabwe, Botswana and Zambia, where the ANC has its executive offices, do not allow either training or transit facilities.

Ceremony in the sun, Page 2

Building societies to cut mortgage rate to 10.25%

BY MARGARET HUGHES

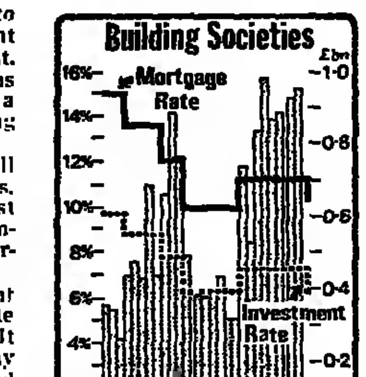
BUILDING SOCIETIES are to cut mortgage and investment rates by one percentage point. Agreement on the reductions was reached yesterday at a special meeting of the Building Societies Association Council.

Basic mortgage rates will fall to 10.25 per cent gross, effective from April 1 for most existing borrowers and immediately for all new borrowers.

The reduced rate is equivalent to 7.175 per cent to basic-rate taxpayers after tax relief. It cuts monthly repayments by 45p for every £1,000 borrowed over 25 years.

Interest paid on ordinary share accounts is being reduced to 6.25 per cent, equivalent to 8.93 per cent gross to a basic-rate taxpayer. The monthly income on an investment of £3,000 will thus fall from £18.13 to £15.63.

The cuts apply only to basic rates. In practice all but two of the five biggest societies charge a differential mortgage for loans of £25,000 and over, and more than 41 per cent of



savers' funds is invested in accounts which pay higher interest than ordinary share accounts.

Interest rates on both differential mortgages and higher interest investment accounts, however, are expected to fall in line with the basic rates.

Mortgage rates charged by building societies will for the moment be substantially below those charged by the banks.

Barclays Bank and National Westminster offer the cheapest bank mortgages.

Each charges 11 per cent which is equivalent to 11.50 per cent on an annualised percentage rate basis. This compares with the societies' new percentage rate basis of 11.20 per cent on basic rates.

Yesterday Barclays and Midland, which charges 11.25 per cent, said they had no immediate plans for changing mortgage rates.

Lloyds, which charges 11.75 per cent, and National Westminster said they would review the situation in the light of the recent Budget.

Reduced investment rate will leave building societies with a competitive edge over their principal competitors in the savings field.

The banks' seven-day deposit rate is now only 5¼ per cent.

Continued on Back Page
Your Savings, Pages 7-11:
Inflation rate static, Back Page

London shares record best weekly rise

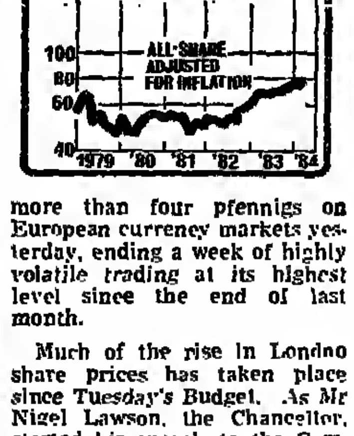
BY RAY MAUGHAN AND PHILIP STEPHENS IN LONDON AND PAUL TAYLOR IN NEW YORK

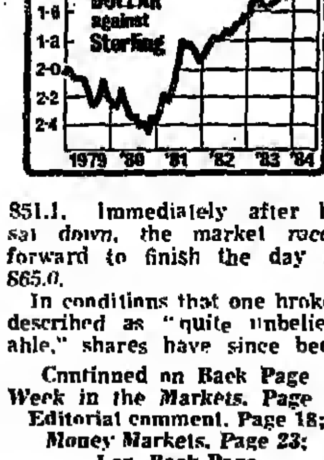
A COMBINATION of a well-received Budget, lower interest rates, strong corporate earnings and dividend growth and a good performance on Wall street helped the London stock market yesterday to complete its best ever rise in any one week.

The Financial Times Industrial Ordinary Index, which charts the movements of 30 leading shares, added 18.7 yesterday to reach a record close of 894.3. Although this was a notch or two below the all-time record of 896.0 achieved by mid-afternoon, the index has gained 53.4 points since the new account opened on Monday. The FT-Actuaries All-Share index rose 10.15 yesterday to 528.89.

In New York share prices bounded ahead in early heavy trading yesterday in the wake of President Ronald Reagan's federal budget deficit cutting agreement with Republican congressional leaders and the announcement of better than expected money supply figures late on Thursday.

Meanwhile, the dollar jumped





more than four pfennigs on European currency markets yesterday, ending a week of highly volatile trading at its highest level since the end of last month.

Much of the rise in London share prices has taken place since Tuesday's Budget. As Mr Nigel Lawson, the Chancellor, started his speech to the Commons the FT Index stood at 851.1. Immediately after he sat down, the market raced forward to finish the day at 865.0.

In conditions that one broker described as "quite unbelievable," shares have since been

Continued on Back Page
Week in the Markets, Page 5;
Editorial comment, Page 18;
Money Markets, Page 23;
Lex, Back Page

MARKETS

DOLLAR	STERLING
New York lunchtime	New York lunchtime $1.447
DM 2.62775	London: $1.447 (1.463)
FFr 8.1005	DM 3.7975 (3.7775)
SwFr 2.1575	SwFr 3.1175 (3.1275)
Y225.775	FFr 11.6925 (11.65)
London:	Y326.75 (328)
DM 2.6225 (2.5805)	Trade weight 80.9 (80.8)
FFr 8.0825 (7.9675)	
SwFr 2.153 (2.1375)	
Y225.7 (224)	
Trade weighted 126.7 (125.9)	
Tokyo close Y225.1	

U.S. LUNCHTIME RATES	LONDON MONEY
Fed Funds 9¼%	3-month interbank:
3-month Treasury Bills: 9.46%	mid rate 8⅞% (8⅞)
Long Bond: 97⅞	3-month eligible bills:
yield n/a	buying rate 8⅞% (8⅞)

GOLD	STOCK INDICES
New York: Comex March latest $392.2	FT Ind Ord 894.3 (+18.7)
London: $394 ($395.25)	FT-A All Share 528.89 (+2%)
	FT-A long gilt yield index: High coupon 10.08 (10.68)
	New York lunchtime: DJ Ind Av 1186.03 (+16.63)
	Tokyo: Nikei Dow 10,458.31 (+111.32)

Chief price changes yesterday, Back Page

CONTENTS

For London market and latest share index, 01-246 8026; overseas markets, 01-246 8066

EEC farm ministers seek deal on reform

By John Wyles in Brussels

EUROPEAN Community agriculture ministers are expected to try to reach agreement on farm prices and reform today. This would enhance the prospects of success for the EEC summit beginning in Brussels on Monday.

A farm package would be both a psychological boost for the summit and a practical contribution to its possible success by removing a number of issues which might otherwise have to be settled there.

Earlier this week, the farm ministers made unexpected and very important progress towards an overall package by reaching outline agreements on a quota system for curbing dairy output and on measures for dismantling monetary compensatory amounts.

The farm ministers began yesterday with a line-by-line examination of the price and reform proposals covering a wide range of products which were tabled on Monday by M Michel Rocard, France's Minister of Agriculture and President of the Council of Ministers.

During session stretching late into the night the ministers grappled with M Rocard's suggestions for price cuts of between 1 per cent and 1.5 per cent. These are needed to reduce the overall cost of the package which looks unlikely to yield any useful economies this year.

Mr Michael Jopling, Britain's Farm Minister, was still pressing his colleagues for greater efforts last night to keep within the budget. But he was also fighting to retain certain measures of special importance to the UK which are threatened by economy axe.

He was specially concerned to protect the variable beef premium in the UK which costs the EEC about 87m ecu a year in payments to beef farmers.

Australia's doctors in line for strong medicine

Hawke is attacking medical privilege, Michael Thompson-Noel writes

VINEYARDS. Health farms. Powerboats. Vintage cars. High jinks in penthouse suites at Surfers' Paradise.

According to legend, these are the everyday trappings of the Australian medical profession, whose ranks are reckoned to include some of the highest-paid medical practitioners and specialists in the world.

Hence, the feeling in Australia that doctors have at last got their come-uppance in the shape of an attack on their wealth and privileges by Mr Bob Hawke's Labor Government.

The dispute, which represents the Government's first major industrial relations tussle, has led to action by specialists in New South Wales, where a doctors' ban on all non-urgent hospital surgery is due to start on Monday.

The row follows the introduction of the Government's Medicare health insurance scheme on February 1, billed by the Health Minister, Dr Neil Blewett, as "the major social innovation of the first year of the Hawke Government."

Generally, Medicare has started well, with 300 offices handling more than 100,000 claims daily. More than 90 per cent of Australia's population of 15m is now enrolled in Medicare, which charges a basic health insurance levy of 1 per cent of taxable incomes, covers 85 per cent of scheduled medical fees, and offers free public hospital treatment.

However, the Government wishes to control the private-practice earnings of salaried doctors in public hospitals, and to contain the earnings power of visiting specialists.

In Dr Blewett's view, the earnings capacity of Australian doctors is now "an open-ended equation," with doctors able to charge what they like, and to perform as many services as they deem necessary.

His main target has been diagnostic specialists—radiologists, pathologists, radiotherapists, and others.

From March 1, all bills for specialist technical treatment are supposed to be charged at or below the rates listed in the medical benefits schedule, with the doctors liable to be charged for the use of hospital facilities. Not surprisingly, the Blewett plan has led to strong reaction among these prosperous technicians.

The Minister says he has cracked down on diagnostic and therapeutic specialists because theirs is an area where there is not usually a direct doctor-patient contact; where, he claims, there is substantial scope for generating additional income; and where there is a significant technical content to the service that is provided by the hospital, and not the doctor.

Under the Blewett plan, full-time hospital specialists with private practice rights will still be able to earn extra sums up to 25 per cent of a senior specialist's salary.

As that is about A$50,000, it means their earnings are to be limited to around A$62,500 (£40,625), or nearly four times the Australian average wage.

In turn, visiting doctors' earnings from public hospitals are subject to a sliding fee scale, though they will still be paid at the full rate up to A$78,125.

What do the doctors earn? It is extremely hard to say, though in the case of visiting specialists, gross earnings in excess of A$500,000 (£312,000) are thought to be not uncommon, producing typical net incomes, after all costs are paid, of more than A$100,000.

The medical bodies are aghast, claiming that under the Blewett guidelines, "the more you work, the less you get."

They view the new rules as the thin edge of the wedge, claim the rules will be extended to clinical specialists, and see Medicare (which some have dubbed "Medimuddle") as the herald of nationalised medicine.

However much they protest, the doctors face an uphill struggle to improve their image.

Mr Laurie Carmichael, the metal workers' leader, even claims they are "trying to destroy" the pay and prices accord between the unions and the Labor Party.

As the dispute widens, tales of medical indulgences multiply.

According to one story, a top Sydney specialist recently issued video-taped invitations to a slap-up party. "The video was a straight lift from Fantasy Island," I was told, "complete with swimming-pool and nubile girls. Now, how gross can you get?"

El Salvador steps up attacks on guerrillas

By Our Foreign Staff

EL SALVADOR'S army has sharply increased its attacks on guerrilla-held territory in an effort to seize the initiative in advance of the March 25 presidential elections.

Up to 5,000 troops, more than one-third of Salvador's front-line combat forces, this week launched a major offensive in the eastern provinces of Morazan and San Vincente.

The provincial town of Corinto was reported recaptured by the army earlier this week, in an operation designed to cut rebel supply lines and force them towards the mountainous border with Honduras.

Meanwhile, on the Honduran side of the border, joint manoeuvres are reported to have begun, carried out by freshly-arrived U.S. forces and elements of the Honduran army aimed at putting pressure on guerrilla activity along the border.

Corinto, held by the FMLN-FDR guerrillas since November, 1983, was recaptured with little resistance.

The guerrillas have announced they do not intend to disrupt the forthcoming presidential elections; nevertheless the government anticipates an upsurge in their operations over the next two weeks.

The guerrillas claim that the government offensive is primarily aimed at impressing on the U.S. that despite great difficulties and a poor performance in the field in the past year, the army can still fight.

In urging Congress to approve fresh injections of economic and military aid, President Ronald Reagan claimed that the Salvadorean armed forces were running dangerously short of ammunition. Munitions supplies are said to be sufficient for under a month.

The election campaign continues to be marked by violence and labour unrest. Two conservative politicians have been assassinated this week, apparently by a radical guerrilla group.

White House sees signs of strong growth, low inflation

BY STEWART FLEMING IN WASHINGTON

NEW ECONOMIC data suggesting that housing starts in February hit a six-year high while inflationary pressure on wholesale prices eased, was welcomed yesterday by the White House and by investors in ordinary shares on Wall Street.

In the wake of the news that the producer price index in February had increased by 0.4 per cent, down from January's 0.6 per cent rise and that seasonally-adjusted housing starts hit a 2.2m annual rate last month, Mr Larry Speakes, the White House spokesman, said: "The new February figures indicate we have clamped a lid on inflation.

"Housing starts and the low producer price index add up to one conclusion. . . strong economic growth and low inflation."

The latest economic data comes at the end of a week which has seen the release of a succession of economic indicators which have confirmed that the economy has been moving ahead more strongly than expected in the first quarter.

The White House has also been able to announce that it has reached agreement with Congressional Republicans on a $150bn (£107bn) three-year package of budget deficit cuts.

The economic news, coupled with the deficit announcement, produced a strong response on the New York Stock Exchange yesterday as the Dow Jones index jumped by more than 20 points by lunchtime in heavy trading.

The package has already come under attack from White House Democrats, however, who are questioning the figures, indicating there are still major hurdles to be cleared before any budget deficit-cutting measures could be approved by Congress.

The agreement which the White House has announced, coupled with signs of a moderation in the pace of inflation and in the growth of the money supply, will all tend to increase pressure on the Federal Reserve not to tighten its monetary policy at the end of the month—something Wall Street economists fear could occur.

The surprising strength of the housing market, however, will be worrying to economists, who fear that the current pace of the economic expansion is unsustainable and could begin to generate inflationary pressure in the months ahead.

Housing-start figures in the winter months are heavily influenced by seasonal adjustment factors.

But the increase from January's strong annual rate of 1.9m units to 2.2m units annual rate in February—coupled with a 7 per cent rise in the number of building permits issued in February to a 1.8m annual rate, suggests that house-building is gathering pace.

This comes at a time when many economists had expected that high interest rates would curb the housing market recovery which took place in 1983.

Jaruzelski pledge on reform

By Christopher Bobinski in Warsaw

GENERAL Wojciech Jaruzelski, the Polish Communist party leader, yesterday fought off hardline pressure from party delegates and reaffirmed his commitment to decentralising economic reform.

In his keynote speech to the first reunion of delegates elected to the 1981, Solidarity-era, Ninth Party Congress, the general balanced a warning to independent-minded intellectuals with clear conciliatory signals to the Church. He called the current clash over the removal of crucifixes from schools "a misunderstanding."

In a subsequent speech on the economy, Mr Zbigniew Messner, the Deputy Premier, signalled that the authorities were about to move cautiously through another round of price increases on consumer durable goods.

Gen. Jaruzelski reaffirmed present policy on democratically-elected workers' councils, which are giving shop-floor representatives a say in management, but warned they should not be used for political purposes.

He was much tougher, however, on the issue of university autonomy, which will be tested over the next few months.

Preliminary elections to university councils have brought sweeping successes by former Solidarity activists, and the authorities are wondering whether the law permitting such developments should not be changed.

Senior French officer attacks defence plan

BY PAUL BETTS IN PARIS

A YEAR after the dramatic resignation of General Jean Delaunay, the French army chief of staff, another senior French general has left the armed forces to criticise the Socialist government's defence policy.

General Etienne Copel, deputy chief of the French air force and head of airborne operations, has written a book highly critical of France's decision to give priority to strengthening the country's nuclear deterrent at the expense of its conventional military defences.

In his book—"Vaincre la Guerre"—Copel states: "I sincerely believe that the current military doctrine can lead France to catastrophe." He argues that the nuclear deterrent only serves to deter a nuclear war and believes that the real danger for France is an attack from the Soviet Union using conventional or chemical weapons.

The general favours establishing a defence system where able-bodied citizens regularly have to train as reservists. Gen Copel suggests French reservists should be able to handle sophisticated weapons, even neutron weapons, to strengthen the country's national defences.

The use of the neutron bomb is perhaps the most controversial proposal put forward by Gen Copel. He believes the use of the neutron bomb as part of the territorial defences of France would be a successful answer to an attack.

The point he makes is that while the concept of a broad nuclear deterrent would be catastrophic the limited use of nuclear weapons on one's own territory could successfully prevent and deter a conventional or chemical attack.

His formula is "no first use of nuclear weapons except on one's own territory." The only nuclear weapon capable of being used for such a purpose is the neutron bomb which could be directed at specific military targets.

When Gen Delaunay, the army chief of staff, resigned last year it was because of his criticism of the defence plan and because of personality differences.

Glenn out of Democratic race for White House

BY REGINALD DALE, U.S. EDITOR, IN WASHINGTON

FORMER astronaut, Senator John Glenn of Ohio, finally and "reluctantly" conceded yesterday that he had no chance of reaching the White House this year. Mr Glenn, once considered the strongest challenger to Mr Walter Mondale for the Democratic Presidential nomination, formally resigned from the race at a poignant Washington Press conference.

Mr Glenn, who is now more than $2m in debt from unsuccessful campaign efforts said: "I'd like nothing better than to stay in the race and win the Democratic nomination, but over the last few weeks it has become obvious that all these things aren't going to happen."

The final blow to Mr Glenn's lack-lustre candidacy was delivered this week in "Super Tuesday" voting in nine states in which he came nowhere near to challenging the two leading contestants, Mr Mondale and Senator Gary Hart of Colorado. His departure leaves only Mr Jesse Jackson, the Chicago-based black activist, still running against the two leaders.

Most of Mr Glenn's supporters are expected to transfer their allegiance to Mr Hart. But Mr Glenn declined to endorse either of the two main contestants yesterday, saying only that he would support the eventual Democratic nominee in the November elections against Ronald Reagan.

As Mr Glenn accepted his fate, Mr Hart picked up 41 per cent of the vote in the Alaska caucuses, against 31 per cent for Mr Mondale. The next serious clash between the two contestants comes today in party caucuses in Michigan, Mississippi, Arkansas, South Carolina and Kentucky.

U.S. diplomat kidnapped

BY NORA BOUSTANY IN BEIRUT

A U.S. diplomat was kidnapped at gunpoint in broad daylight yesterday outside his home in Moslem-controlled West Beirut.

Mr William Buckley, a political officer, was abducted by three gunmen in a white Renault as he left his apartment building for work at the nearby U.S. embassy.

Two other Americans recently disappeared in mysterious circumstances in West Beirut and are widely assumed to have been kidnapped.

Arab diplomats said it was possible that the U.S. envoy had been seized to secure the release of Islamic militants being held in Kuwait after bomb explosions there.

The Druze Progressive Socialist Party, whose militia controls the area where the envoy had been abducted, said it had been asked by the U.S. embassy to help find Mr Buckley

Opel pact allays workers' fears on jobs and pay

BY JOHN DAVIES IN FRANKFURT

OPEL, the West German subsidiary of General Motors of the U.S., has reached a pact with its workers to allay their fears about jobs and pay as a result of wide-ranging modernisation measures to be introduced over the next five years.

The company will reduce its workforce by no more than 5 per cent, with no sackings and workers moved to other jobs will receive their old wages for a much longer period than at present.

The agreement follows Opel's decision to embark on a five-year DM 7.4bn (£1.8bn) investment programme to rationalise its plants, mainly at Rüsselsheim and improve its vehicles.

Opel workers, backed by IG Metall, the metalworkers' union, have been demanding assurances from the company because of rumours of large-scale job cuts.

Union officials have been voicing fears that Opel would eliminate up to 12,000 jobs in the next five years, but the company has agreed to reduce the 59,000-strong workforce by no more than about 2,900.

The agreement will pacify the Opel workers just as the dispute is sharpening between IG Metall and metal industry employers over the union's demand for a cut in the working week from 40 to 35 hours to protect jobs.

East-West arms talks resume

Nato and the Warsaw Pact resumed talks yesterday on force reductions in Europe after a three-month break, but no new proposals were made for ending a 10-year deadlock, Agencies report from Vienna.

The talks, the most important forum on East-West arms control now in session, reopened after a 40-minute sitting which heard conciliatory noises from the West and tough words from the East.

Khartoum air raid 'kills 2'

A Soviet-built TU-22 aircraft dropped five bombs on a suburb of Khartoum, the Sudanese capital, yesterday, damaging two houses and a radio station and killing two people and injuring many others Egypt's official news agency said, AP reports from Cairo.

Sweden agrees pay deal

BY DAVID BROWN IN STOCKHOLM

THE anti-inflation policy of Sweden's Prime Minister Olof Palme has been bolstered by the completion of a moderate settlement in this year's pay negotiations affecting virtually the entire 1.5m-strong public-sector workforce.

The deal provides for pay increases totalling 8-9 per cent over the next two years, and implies a 12 per cent rise in employers' costs over the same period. Mr Palme, who asked that pay increases be limited to 6 per cent a year, said he was satisfied with the results.

The deal was attacked by SAF, the private-sector employers' federation whose members say that they still foresee tough negotiations with unions grouped in the LO trades union federation.

Mr Lars-Gunnar Albeage, SAF's negotiating expert, says employers cannot afford to offer more than 3-4 per cent pay increases without threatening the export competitiveness of Swedish industry.

Brazil's foreign currency deals decentralised

By Our Foreign Staff

BRAZIL will decentralise foreign exchange transactions for banks and companies from next Monday, a Central Bank official said.

Since August, all transactions have been carried out by the Central Bank, which remitted foreign currency for imports, interest and capital repayments according to a schedule which sometimes led to considerable delays.

Companies and banks will be able to buy and arrange for the transfer of foreign currency on production of Central Bank or Banco do Brasil authorisation.

The payment of imports from member countries of the Paris Club financed for longer than 360 days will remain under Central Bank control, the official said.

This is because discussions are continuing on whether such financing should be included in overall debt negotiations with the Club.

All arrears in import payments occurring since the Central Bank took control of foreign currency transfers should be paid by the end of this month.

This reflects good trade surpluses in the past two months, a lower-than-expected current account deficit in 1983, the disbursement yesterday of a $390m credit from the IMF, the payment last week of the first $1bn tranche of Brazil's $6.5bn loan from commercial banks and the scheduled payment this week of a second $1bn tranche.

Ceremony in the sun takes heat out of border tension

BY J. D. F. JONES IN JOHANNESBURG

CONSIDERING that it was over 95 degrees in the Komati River valley yesterday, the ceremony was a triumph of southern African co-operation.

That was just as well, because both Mozambique and South Africa had decided to make a big production out of their agreement to cool regional tensions with a non-aggression treaty.

The South Africans are jubilant to have — in effect — forced their Marxist neighbour to sue for peace, and the Mozambicans have evidently decided to put the best face possible on their reluctant agreement to deal with the apartheid state.

The venue was the strip of no-mans land beyond the Komatipoort border point, in idyllic bush just below the point where the Crocodile becomes the Nkomati (which means the place of the cow, that is the hippo).

The South Africans made the running by inviting more than 500 guests to witness the signing ceremony—the Mozambicans matched them.

Both sides added every journalist they could lay their hands on and flew them into the remote bush where the South Africans had created a stadium and communications centre in just seven days.

The result was that the leaders of South African business, banking and industry spent the morning sweating profusely in their dark suits as they rubbed shoulders with diplomats and politicians, wondering why their presence was so necessary and yet, for the most part, sufficiently convinced that they were sitting in on an historic moment.

Security figured large, which was not surprising since Mozambique Resistance Movement rebels had threatened to lob over a few shells, and the banned African National Congress had similar reason to be hostile to a pact which in essence was designed to deny the use of Mozambique to ANC operations.

For miles around the bush had been "secured". All commercial and private flights had been warned off, the river was patrolled, and occasionally a uniform could be glimpsed on the hillside.

Then came a line of uniformed South African police matched by Mozambique troops in helmets and battle-dress and, inside the stadium, security police from both sides, casual in their lounge suits, staring into the ranks of guests in the makeshift stands.

By 11.00 am, the heat was appalling. The South African guests took their jackets off, the Mozambicans to a man kept theirs on. The South Africans applauded their own guard of honour and the Mozambicans cheered when their own swung into view. Three Mozambican bandsmen were carried off with heat stroke, the South Africans somehow stayed on their feet.

The leaders met in the White Train, precisely on the border. President Samora Machel, resplendent in field marshall's uniform, saluted, and Mr P. W. Botha, the South African Prime Minister, in his familiar suit, waved jauntily.

President Machel had arrived in an ancient Rolls-Royce and a poster behind him said: "Reforcemos a Vigilancia Revolucionaria", which may not have been appropriate in the circumstances.

Mr Botha declared that his people belonged to Africa and were the earlier victims of colonialism. He even revived memories of the Afrikaners' suffering at British hands in the Boer War. President Machel had the courage to come up with the famous slogan of his Frelimo Movement—A Luta Continua — but carefully explained that the struggle he referred to was for peace and good neighbourliness.

As the press plane arrived back at a military base outside Pretoria, another aircraft was bringing in the latest bodies from the war in South-West Africa. It was another reminder that the detente on the eastern border will need to be matched with another disengagement on the western front.

ANGOLAN TALKS WITH CUBA MAY CLEAR WAY FOR NAMIBIA SETTLEMENT

PRESIDENT Jose Eduardo dos Santos, the Angolan head of state, arrives in Cuba today for talks which are likely to centre on the future of an estimated 25,000 Cuban troops stationed in the country, writes Quentin Peel.

His visit, at the invitation of President Fidel Castro, was announced yesterday by the Cuban state news agency, and comes at a critical time in the efforts to promote peaceful settlements in both Angola and neighbouring Namibia.

The presence of the Cuban troops in Angola—at the invitation of the Angolan government—is regarded by both South Africa and the U.S. as a stumbling block in the way of a settlement in Namibia, where South Africa is fighting guerrillas belonging to the South West Africa People's Organisation (Swapo).

However, South Africa and Angola last month reached an initial agreement on the disengagement of their forces in southern Angola, invaded by South Africa in order to cut the supply lines of Swapo.

Pretoria has made it clear that it will not go any further in implementing the United Nations plan for a ceasefire, elections and independence in Namibia without withdrawal of the Cubans from Angola.

Further talks are to be held between U.S. and Angolan officials centring on the Cuban troops, but no date has been set. This weekend's talks in Havana could therefore be crucial to any future agreement.

The Angolan government has been unwilling to let the Cuban forces leave while South African troops are occupying part of the country, and while the South African-backed Unita guerrillas are fighting against government forces.

Recent reports from Havana suggest that Cuba may be willing to consider a phased withdrawal. U.S. officials have indicated that what is needed is an agreement on withdrawal, rather than any actual moves before the Namibian settlement plan can be implemented.

FINANCIAL TIMES, USPS No 190640, published daily except Sundays and holidays. U.S. subscription rates $420.00 per annum. Second class postage paid at New York NY and at additional mailing offices. POSTMASTER: send address changes to: FINANCIAL TIMES, 14 East 60th Street, New York, NY 10022.

BSC customer criticises EEC production quota

BY IAN RODGER

TEESSIDE maker of lorry trailers has written to British Steel regretting that European Commission production quotas are stopping the corporation from satisfying its customers.

Mr P. A. Emmerson, purchasing manager for York Trailer, said this week that he *had been accustomed* to getting delivery of flat steel in six weeks.

"But in *mid-February* we were told that we would have to order further ahead because strip mill deliveries were going out to 16 weeks."

BSC is believed to have taken orders for almost all the steel it is allowed to produce for home consumption in the second quarter of this year.

The corporation may also be reluctant to open its order books for the third quarter until it can see better the trend of demand and prices.

BSC refused to comment on Mr Emmerson's letter to Mr Robert Haslam, the chairman, as Mr Haslam was out of the country. The corporation also refused to comment on its orders.

Mr John Safford, director-general of the British Iron and Steel Consumers Council, said he thought BSC was "pretty fully booked.

"I've been warning *my* members that the quotas are getting tighter and if they have any problems they should let us know and we will make a stink." He had received no complaints so far but was meeting members next week.

Mr Safford said the apparent improvement of BSC's order book would result partly from purchases made in advance of April 1 price increases.

The market expects steel consumers will still be able to get the steel they need but perhaps will have to shop around more and order further ahead.

Gadarene rush greets pigmeat futures

By John Edwards, Commodities Editor

PIGMENT FUTURES trading started with a Gadarene rush on London's Baltic Exchange yesterday as Europe's first meat futures market made its debut. A total of 706 lots (of 50 carcases each equivalent to 3,250 kilos deadweight) was traded.

Mr Pat Elmer, chairman of the London Meat Futures Exchange, officially opened *the market*. *He claimed it* would enable the beleaguered UK pig industry to plant forward without worrying about the unpredictable price fluctuations that have caused so much worry in the past.

The many supporters of the futures market, herded together in the Baltic, hope it will help to break the boom and bust pig cycle that has plagued the industry for so many years.

Pig producers receive little support under the European Community Common Agricultural Policy so are vulnerable to constant price shifts resulting from changes in production and demand.

The pigmeat futures market should encourage more fixed-price contracts, over a longer period, which should bring stability both for farmers and consumers.

The housewife should benefit, with more stable prices for the whole range of products, from fresh pork to bacon, hams and pork pies. So should caterers in industry and hotels.

That is the theory. However, participants yesterday were more concerned about price trends and trading volume. The general feeling is that pig prices are on the upward trend of the cycle after a long period of depression.

The Meat and Livestock Commission estimates that about 1m tonnes of pigmeat, including imports, is sold in Britain annually. This is roughly the same as beef sales.

If pigmeat futures succeed, a beef futures contract is likely to follow. Much depends on speculators, who made such a success of the porkbellies (bacon sides) futures contract in Chicago and the potato futures market in London.

The 29 floor members who paid £20,000 each for their seats on the exchange will not know for some time whether they have backed a winner or bought a pig in a poke.

IBM sales

LATER editions of yesterday's Financial Times reported that sales of the UK subsidiary of IBM rose last year by 42 per cent from £1.2bn to £1.7bn. In fact, the increase was 35 per cent — from £1.24bn to £1.67bn.

The man behind Lawson's conjuring trick

Philip Stephens talks to Ronald Halstead, of Beecham, on the axing of the National Insurance Surcharge

AS Mr Nigel Lawson basked in the acclaim heaped on Tuesday's Budget one British businessman had considerable cause for quiet satisfaction.

Mr Ronald Halstead, chairman of Beecham Products, could justly claim much of the credit for the central "conjuring trick" at the heart of the Chancellor's tax reforms.

That was *the decision* to accelerate value added tax payments on imports from October 1, bringing in a *one-off £1.2bn* in extra revenue for the Treasury in 1984-85.

The move allowed the Chancellor to abolish the 1 per cent National Insurance Surcharge, long attacked by business as a pernicious tax on jobs.

The ending of what is termed postponed accounting for VAT was not, however simply an ingenious scheme dreamed up by the financial whizzkids at the Treasury.

Though officials could rightly claim that they had known about the possibility for some years, the real impetus for the change came from an intensive 18-month campaign by Mr Halstead.

More intriguingly, it was launched from the unlikely base of the National Economic Development Office's special industry group for knitting manufacturers.

Mr Halstead, a forthright character with 30 years experience in the marketing of Beecham's consumer products, was drafted in to chair two of the office's textile groups in 1978.

"The industry needed a new approach to marketing, with more emphasis on design and closer links with retailers," he says.

It also became clear that the British knitwear industry was suffering from the way value *added tax was collected on competing imports.*

The postponed accounting system allowed all British importers, whether manufacturers of distributors, to defer VAT payments for an average of 11 weeks, compared to an average of about five weeks grace given to traders buying British goods.

"It was a cash incentive to import and I immediately took the issue on board," Mr Halstead says.

By January of last year a detailed letter was on its way to the then Chancellor, Sir Geoffrey Howe, pointing out the system was giving importers a direct cash flow advantage of *about 3 per cent of annual turnover* over supplies of home-produced goods.

What is more, the Treasury would get a once-and-for-all tax windfall of more than £1bn by abolishing the postponed accounting system, allowing it to finance at least the first year *cost of abolishing the National* Insurance Surcharge.

Sir Geoffrey was sympathetic but worried about the impact on the European Commission's attempts to get other European Community states to harmonise their VAT collection on the basis of Britain's system.

The next step was to get the head of the finance for industry section at the National Economic *Development Office* to draw up a detailed economic analysis of the impact of the postponed system on British industry, and compare it with the systems operating in other European states.

Halstead: Quiet satisfaction

Drawn up by Mr John Arrowsmith, who is on loan to NEDO from the Bank of England, it allowed the issue to be aired fully at the main NEDO Council in January, which was chaired by Mr Lawson.

Then came the Budget.

Mr Halstead acknowledges that the move has not won universal *acclaim*. Some manufacturers are worried about the cash flow impact on financing imports *of raw materials*, which account for about half of the £1.2bn total.

There have also been mutterings in Brussels that it has effectively torpedoed attempts to break down import barriers while the oil and spirits industries are concerned that they will also be hit by its application to bonded warehouses.

However, Mr Halstead is convinced that the overall impact on British industry will outweigh any temporary disadvantages.

At the same time the new rules allowing importers 30 days to pay VAT make the system neutral between domestic and foreign goods and are distinctly more liberal than the pay-at-the-border system *operated* by countries like Italy and France.

It is a view, he says, that is *now accepted* by the Commission's internal market commissioner, Mr Karl-Heinz Narjes.

Ironically, when Mr Lawson was standing at the dispatch box on Tuesday, Mr Halstead *was explaining* his position to Mr Narjes in Strasbourg. He insists he got no advance tip-off *from the Treasury*.

Davy to sell loss-making subsidiary on Teesside

BY NICK GARNETT, NORTHERN CORRESPONDENT

THE LOSS-MAKING Teesdale process plant fabricator, Head Wrightson, which employs 350 on Teesside, has been put up for sale by its parent company, the Davy Corporation.

In a notice to the workforce Davy believed it would be in the best interests of the company and its employees if it was sold as a going concern to another company which could make fuller use of its skills and fabrication facilities. Davy bought the plant 10 years ago.

Head Wrightson is in Davy's engineering industries group. It was singled out in last year's corporate annual report and in the September interim report because of its continuing losses.

Davy's manufacturing and services companies, which include Head Wrightson, made a loss of £2.4m last year against pre-tax profits of £13.1m for Davy's other companies, which fall within the Davy McKee engineering construction group.

The Teesside company has one manufacturing site at South Bank, Middlesbrough.

Mr John Wood, Head Wrightson's managing director, said that work being done by the company would be continued. This included a nitric acid plant for ICI at Billingham.

PSBR prospects brighter after small rise last month

BY PHILIP STEPHENS

PUBLIC SECTOR borrowing rose only fractionally last month, *prompting forecasts that* the out-turn for 1983-84 will be considerably better than the £10bn predicted by the Chancellor this week.

The Treasury said yesterday that the public sector borrowing requirement rose by £200m in February, bringing the total for the first 11 months of the financial year to £7.8bn.

The unexpectedly small size of the increase reflected buoyant revenues, and a small repayment of debt by public corporations, while Government finances also benefited from receipts of £175m from the sales of shares in Cable and Wireless.

With only one month of the financial year left it seems that Mr Nigel Lawson's forecast of a £10bn PSBR in his Budget speech was deliberately cautious.

In past years the Treasury has been greatly embarrassed *when borrowing* has overshot targets, particularly in 1982-83, and has apparently decided it is safer to err on the side of *prudence*.

Even at this stage of the year the margin for error in forecasting the PSBR can be as high as £1bn.

Broker James Capel predicted yesterday that the final out-turn will be between £9bn and £8.5bn, a view shared by most City analysts.

The Chancellor has set a PSBR target of £7.5bn for the financial year beginning in April.

With asset sales expected to total £2bn over the year and revenues boosted by the decision to speed up payments of value added tax on imports most observers are confident that the Government will be able to meet it.

More than 100 MPs back Thatcher in Oman affair

BY PETER RIDDELL, POLITICAL EDITOR

MORE THAN 100 Conservative MPs by last night had signed a Commons motion supporting the Prime Minister in the controversy over the involvement of her and her son Mark in the award of the Oman university contract to the Cementation subsidiary of Trafalgar House.

Senior backbenchers and Conservative whips were assiduously seeking support, though few MPs were at Westminster yesterday since it was private members' business.

Mr Donald Thompson, a government whip, denied suggestions that any *pressure* was being applied to Tory MPs to sign the motion. He hoped that all backbenchers would have signed it by Monday night (when most MPs will be present for a series of votes on the budget).

The motion, sponsored by Mr Edward du Cann, the chairman of the backbench 1922 Committee, was in response to an opposition motion calling for a select committee inquiry into the affair, which threatens to continue for some time.

The controversy has also been taken up by some MPs at the select committee on members' interests which has just completed a report on complaints relating to the registering and declaring of interests.

The register of members' *interests* on *February 7* has just been published (price £6.40 from the Stationery Office). It details lists of business interests and shareholdings.

● Mr Peter Shore, the shadow leader of the Commons, said in a BBC television interview last night that Mrs Thatcher should make a clear and direct statement on the questions left unanswered by her parliamentary answers this week.

He said she should say whether she knew about Cementation's involvement in the Oman contract before she visited the country, and whether she knew anything about her son's interest in it when she was negotiating and helping to win the contract for Britain.

Tories still upset by BBC

By Peter Riddell

THE CONSERVATIVE Party is considering making a formal complaint to the Broadcasting Complaints Commission over the controversial BBC television programme of January 30, which alleged infiltration of the party by extremist right-wing groups.

Mr John Selwyn Gummer, the Conservative Party chairman said in a statement yesterday that the party's complaints had not been answered nor had it been accepted that there could have been any mistake or misjudgement, inspite of a series of meetings with the BBC.

However, Mr Alasdair Milne, the BBC director-general, said that the programme was well founded. He noted that the BBC board of governors had expressed its support for the programme and his handling of the matter. Mr Milne said that the allegations against the programme's makers were grossly unfair. Some claims made in the programme are now the subject of litigation against the BBC.

Video Bill passed unopposed in Commons

BY KEVIN BROWN

THE BILL intended to outlaw "video nasties" was given an unopposed third reading yesterday, completing its passage through the Commons.

The Video Recordings Bill goes to the House of Lords, and is expected to become law in the summer.

It creates a classification system for videos similar to that used for cinema films. Videos denied a certificate by the British Board of Film Censors will be banned.

Mr Graham Bright, Conservative MP for Luton South, who introduced the Bill as a private member's measure, claimed that support for it among MPs had strengthened.

Sir Bernard Braine, Conservative MP for Castle Point, and a fierce opponent of "nasties," said the Bill would stop dealers making huge profits.

Mr David Mellor, the Home Office Minister responsible for the Bill, said it was a "moderate" measure, extending controls which existed in the cinema and on television.

He said he was dismayed, however, by recent "carping" comments in the Press.

The Bill has had front bench support on all sides of the Commons, but did not pass yesterday without a final challenge from MPs concerned about restrictions on freedom of choice.

Alliance and Conservative MPs said some of the provisions extended the bounds of censorship too far, though none opposed it in principle.

Mr Robert Maclennan, SDP MP for Caithness, said Alliance peers in the Lords would want to consider the censorship issue carefully.

The Bill was tightened up during its report stage yesterday to restrict the sale of videos classified "18 Restricted" to licensed sex shops.

The British Board of Film Censors will be instructed to apply tighter standards to 18 R videos than to the equivalent films, which can be shown only in adult cinema clubs.

Dealing in videos denied a certificate by the censor will attract a maximum fine of £20,000.

Biffen praises continuity set by Budget

BY PETER RIDDELL, POLITICAL EDITOR

THE BUDGET shows the Government's determination "not to splutter out of inspiration and direction," Mr John Biffen, Leader of the Commons, argued last night.

Mr Biffen told York Conservatives that the theme set by the Budget across the domestic policy field was "one of continuity and consolidation."

Characteristically, Mr Biffen sought to straddle the two groups of radicals and consolidators within the Cabinet, which have been described by political commentators in recent months.

He has called himself a consolidator, but in his speech last night he also praised the *radical drive*.

He believed that the two trends had to be combined to create a new consensus in Britain.

"We must continue with the fundamental reforms begun during our first term. We must consolidate the ground already won. The true Tory radical seeks lasting change, and lasting change is secured by steadfastness, rather than by erratic zeal."

Mr Biffen said that, in its first term, the Government had established the financial framework within which a social market economy could flourish better.

He stressed the need to hold to existing public spending plans, which would "compel constant vigilance on the social and defence commitments which underpin the major elements of public expenditure."

He said: "Radical Toryism has moved the frontier of political debate so far towards economic reality that not all the vain promises of state socialism will be able to undo our achievements."

The Budget was praised yesterday by two former senior Conservative Ministers, who have recently been critical about the economic strategy.

Mr David Howell said the Budget demonstrated that the Government was at last getting a firm grip on policy and strategy.

His only qualification was a call for a modest and *carefully planned increase* in public investment in city rebuilding, transport facilities, water mains and sewers.

UK NEWS—LABOUR

Bank unions call in Acas over 5% pay offer

By David Brindle, Labour Staff

THE BANKING unions yesterday asked for the assistance of the Advisory, Conciliation and Arbitration Service after the five main English clearing banks made no improvement in their 5 per cent pay offer.

The unions maintained that their cases for a more substantial increase for 180,000 clerical staff had been strengthened by the Budget which, they claimed, had benefited the banks.

The Clearing Bank Union and the employers will be at Acas on Monday. Mr John Cousins, general secretary of the CBU, said the banks' failure to move on the offer of 5 per cent was "disgraceful" and showed a lack of sensitivity to pay trends both in the financial sector and elsewhere.

Mr Cousins said his union's executive committee would meet immediately after the conciliation exercise at Acas "to decide what action, if any, we ought to take."

The Banking, Insurance and Finance Union will seek a similar meeting at Acas next week. Mr Leif Mills, the union's general secretary, called the unchanged pay offer "a cynical exploitation of the labour market."

Mr Mills said the banks could easily afford to improve the offer: only the Midlands had not increased its dividend mor more than 5 per cent, while the Budget had not produced the predicted profits tax on the banks and they stood to save £20m from abolition of the National Insurance surcharge.

The ney negotiations cover the bottom four clerical grades at Midland, Barclays, National Westminster, Lloyds, and Williams and Glyn's. The settlement date is April 1.

Strike at parts plant halts work on Land Rover

By Arthur Smith, Midlands Correspondent

LAND ROVER production has been halted and 5,000 workers laid off following a strike at one of its satellite components plants.

The 500 workers at the BL subsidiary's Bordesley Green factory, Birmingham, walked out in protest at the transfer of a small piece of machinery to a neighbouring plant.

The strikers fear the move marks the start of the planned shutdown of nine Land Rover satellite plants, which will cut 1,560 jobs by the end of next year.

The Bordesley Green factory which supplies pressings for both the Land Rover and Range Rover models, is due for closure. However, Land Rover insisted last night that the movement of a press tool was purely routine and put no jobs at risk.

Votes against pit strike 'protest at picket violence'

BY BRIAN GROOM, LABOUR STAFF

VOTES B Yminers in Staffordshire, Warwickshire, Lancashire and South Derbyshire against a strike were seen by many area leaders last night as a protest against violence involving flying pickets from other areas.

Mr Joe McKie, president of the National Union of Mineworkers' Midlands area (Staffordshire and Warwickshire), said: "The reason they voted that way was the ugly scenes they have seen on their TV in the Nottinghamshire area."

The protest vote seems set to be repeated by the 30,000 Nottinghamshire miners who have experienced the worst of the past week's violence. Results of a ballot due to be announced today were believed to be four to one against a strike.

There were fears that flying pickets from left-wing Yorkshire, South Wales and Kent would be back in force on Monday to prevent thousands of miners returning to work.

The Midlands area executive decided to urge its 12,000 members "on grounds of safety" not to cross mass picket lines, which may encourage the flying pickets to return.

Mr McKie said: "If they come down in force we are saying to our people do not put yourselves in any danger. We do not want any blood spilt."

The decision was the subject of fierce controversy at an area executive meeting in Stafford. One member said it was tantamount to "running away from a bunch of thugs, vandals and bandits."

Mr McKie called on the NUM's national executive to convene an early meeting and call a national ballot on the strike issue. He asked Yorkshire NUM leaders eto instruct their pickets to go home.

Midlands NUM leaders had urged members to vote for a strike in the area ballot but the results disclosed yesterday showed that 73 per cent rejected their advice. As in all areas the turnout was high—10,372 out of 11,913.

In South Derbyshire more than four-fifths or the 2,800 miners voted against a strike. In Lancashire it was narrower —3,1800 against and 2,600 in favour.

Flying pickets swooped in all these counties on Thursday night and yeserday morning in defiance of the National Coal Board's High Court injunction against secondary picketing. They withdrew from several pits, notably in Warwickshire and Staffordshire, aftar production stopped and local pickets agreed to man the gates.

There was less violence yesterday compared with earlier in the week. Two Yorkshire brothers were arrested at Lea Hall pit, Staffordshire, after scuffles broke out when Staffordshire miners crossed the line to go to work. Both were later fined by magistrates.

By the evening production was halted at the four Warwickshire pits. In South Staffordshire production stopped at Littleton, near Cannock, and was disrupted at Lea Hall in Rugeley. The five north Staffordshire pits near Stoke on Trent continued working. They were not picketed.

The Coal Board maintained production at only one of the four south Derbyshire pits, Cadley Hill. At the three Leicestershire pits, only Whitwick, near Coalville was working in the afternoon.

The Nottingham coalfield was on strike as part of a deal struck on Thursday for Yorkshire pickets to withdraw but the strike was not solid. The Coal Board said it was producing coal at four of its 25 pits. The strike was total at only 15.

Powers on picketing reaffirmed

BY PHILIP BASSET AND DAVID BRINDLE

SIR MICHAEL HAVERS, the Attorney General, yesterday firmly restated the considerable extent of police powers to deal with flying pickets after the picket line clashes, some of them violent, in the coalfields this week.

Sir Michael's statement follows the disclosure by the Government that more than 3,000 police officers are on hand. This is perhaps the biggest number of police ever deployed in a recent industrial dispute, far higher than in the National Graphical Association print union dispute at Warrington (about 1,340 police), the 1980 steel strike (1,192 in the worst-hit area, South Yorkshire) or even at the Saltley coke depot in the 1972 miners' strike (about 800).

Extra police were in the coalfields early in the week, but the operation really got into gear on Wednesday, following the previous night when the police had been caught somewhat off guard by a sudden influx of pickets.

Even though the police presence from then on was huge—about 200 at every visited pit—convoys of nine and 11 coachloads of police were still streaming up the M1 motorway late on Thursday morning, drawn from 17 forces, including Hampshire, Surrey, the Metropolitan, West Midlands, Lancashire, Cheshire and Greater Manchester.

The Home Office said yesterday it was too early for even initial estimates of the likely cost of the operation, but the number of police being used makes it inevitable that it will be far higher than the £314,000 cost of policing the NGA dispute, or the £650,000 cost of the steel strike in South Yorkshire.

Drawing heavily on experience in the 1981 inner city riots as well as in previous industrial disputes, police tactics at Warrington were at their most effective, with the police pushing back the pickets with some ease.

The police were helped by the dispute being on a single site, with a large open area in front of the Messenger printing plant on which the pickets could be controlled.

A large number of sites and a variety of approaches, from narrow lanes to open spaces, make the current miners' strike a far more difficult proposition. Accordingly, police tactics have been different, and noticeably less successful.

To a much greater extent than Warrington, the police were setting up road blocks and turning pickets back. The Attorney General's statement yesterday set out clearly the police right to do this: "There is no doubt that if a constable has reasonable grounds to come to the conclusion that persons are travelling for the purpose of taking part in a picket in circumstances where there is likely to be a breach of the peace, be has the power at common law to call upon them not to continue their journey and to call upon their driver to take them no further.

"Any person who fails to comply with a police request in those circumstances will be committing the offence of obstructing a police officer in the course of his duty."

Police cars and vans have been parked at road intersections, and at motorway entrances and exits. It was claimed that Scots coaches were being stopped 15 miles from coalfields. The police were using for the first time in an industrial dispute vans with full mesh screens, cow-catcher style rams on the front and casing enclosing all but the very bottom of the wheels.

Police inspectors controlling operations admitted privately that to some extent they were taking part in a big public relations exercise for the benefit of the television cameras. They were monitoring the pickets' CB radio transmissions, but the pickets replied by trying to throw them off the scent by ostentatiously seeking directions to one pit—while really heading for another.

Mr Leslie Curtis, secretary of the Police Federation, stressed this week that the role of the police in such situations was limited: "You can only saturate an area up to a point. The police can only physically do a job up to a point."

Pay levels continue to edge up says report

By Our Labour Correspondent

PAY SETTLEMENTS are continuing to edge up a little, though there is as yet no clear evidence of a strong upward drift, according to Incomes Data Services, the pay monitoring body.

In its latest report, due to be published next week, IDS says that the spread of settlements in the first three months of this year "will be at least the same as that in the fourth quarter of 1983, if not marginally higher." IDS says that the settlement spread in that quarter was itself higher than in the 1983 third quarter.

While the more widely based economic recovery has brought with it e continuing strong upward pressure on settlements, there is still a wide variety of settlement levels and patterns.

Although IDS finds "there is no strong evidence of e steady upward drift," it says that within the overall range of percentage increases "the centre of gravity has edged up a little from the period between August and October 1983."

These findings are broadly in line with the latest evidence on earnings from the Department of Employment, published earlier this week, which showed earnings rises staying stable at 7.75 per cent, and with figures from the CBI.

In the private sector, IDS says that settlement levels are now picking up from relative stability during 1983, and concludes: "This would suggest that it will be harder for central and local government to achieve settlements close to the 3 per cent provision, and that negotiated settlements will move towards 4.5 to 5.5 per cent in the public services and public corporations."

This would place public sector settlements roughly in line with those in mechanical engineering, but lower than those in companies experiencing some recovery or buoyancy, in the finance, retailing, food, drink and drugs sectors.

IDS says that in January, a key pay month because of the large number of deals which come up, for renegotiation, most settlements appear to have given basic wage increases of 4-8 per cent.

Recent deals include: a 5 per cent rise at NEI Parsons, for the second year; an average of 5 per cent in British Aerospace divisions; 3.5 per cent at Lear Fan in Northern Ireland; 8 per cent at English China Clays; 6 per cent plus at Electrolux in Luton, after a six-week strike; 7 per cent at Royal Insurance; 6 per cent at Eagle Star, and Scottish Provident; and 5 per cent at the Royal Trust of Canada.

Vosper lays off all 700 workers at ship repairer

BY A SPECIAL CORRESPONDENT

THE ENTIRE 700-strong workforce at state-run Vosper Ship Repairers of Southampton was laid off without pay yesterday following the workers' refusal to lift an overtime ban and other sanctions.

Vosper said the action, imposed on Monday in support of a wage claim, breached working arrangements and meant it could not "continue normal business."

Staff would only be allowed to return to work when shop stewards had assured management that sactions would be removed.

Vosper has had to force a confrontation over the dispute because it threatens to delay completion of the £9m fitting-out contract of the Saudi Arabian royal yacht, Abdul Aziz, due to be finished early next month.

Heavy penalty payments will hae incurred if delivery is not on time.

An overtime ban has also been imposed at the Hampshire warship firm Vosper Thornycroft in support of a similar claim, which would increase tradesmen's basic weekly pay from £114 to £140, and give two extra days' holiday a year.

That action has brought further delay to a 2,000-tonne landing craft Vosper is building under sub-contract to fellow British Shipbuilders' subsidiary Brooke Marine.

Both Vosper companies have rejected British Shipbuilders' £7-a-week productivity package.

Provincial printers win 6.7% pay rise

By Our Labour Staff

AGREEMENT has been reached between the Newspaper Society, the provincial newspaper employers' organisation and the National Graphical Association print union on a pay rise of about 6.7 per cent for 11,000 newspaper printers.

The agreement was reached in outline early yesterday morning after 13 hours of talks but a Newspaper Society spokesman said: "We have a large measure of agreement but there are still some details to be ironed out."

The final offer increases the basic craft rate of £93.25 by £6.25 a week with a proportional increase for supplementary payments.

The deal also gives an extra days holiday on top of the present four weeks.

Print union spells out conditions for accepting technology changes

David Goodhart looks at the NGA's terms for accepting new type processes on provincial newspapers

THE National Graphical Association's conditions for accepting new technology at provincial newspapers drops the ball back neatly into the employers' court. Yet the response in detail by the Newspaper Society—the employers' body—depends crucially on the reaction of the other TUC-affiliated unions—Sogat '82 and the National Union of Journalists.

The NGA's plans are not definitive, but rather a basis for negotiation with both the employers' body and other unions. But the NGA plans are far-reaching and designed to shake off the union's Luddite image.

The NGA's Way Forward document introduces two new conditions for the acceptance of new technology, and more specifically single-keying. The first and most important spells out that typesetting must remain a unionised operation, although not necessary under NGA auspices.

The document, largely drawn upby Mr Tony Dubbins, general secretary elect, states: "Typesetting has always been a fully unionised (NGA) operation. New technology transfers the typesetting operation to other areas. The NGA insists that it remains a unionised operation (albeit, not necessarily an exclusively NGA one) and, therefore, only member of the NUJ, Sogat or the NGA would be acceptable to operate the new technology."

Single-keying—the ability of journalists and advertising staff to send material direct to computerised typesetting—could in the next five years make over one-third of the NGA's 11,000 members in the provincial Press redundant. Other forms of new technology are also threatening NGA skills.

The union has therefore taken a very cautious attitude towards Project Breakthrough, the Newspaper Society attempt to reach an agreement by the end of the year.

But Mr Tony Dubbins has repeated that the economic case for single-keying has yet to be proven in most cases. He fears that the primary motivation of the employers is to transfer typesetting from strongly unionised to non-unionised plants.

The Newspaper Society has always denied it is attempting to weaken the unions, so the NGA sees the plan for 100 per cent unionisation as a way of calling its bluff.

The initial response of the Newspaper Society has been to welcome the fact that the NGA has recognised it can no longer retain exclusive rights to typesetting. But it is critical of other aspects of the proposals.

Most employers, for example, are strongly opposed to an editorial closed shop. The NGA says that non-union journalists would still be allowed but they would not have access to "direct-input" equipment. The employers at national level will not buy that and would also be unlikely to disregard the smaller, non-TUC journalists' union, the Institute of Journalists.

In addition, the Newspaper Society has yesterday pointed out that a 100 per cent union membership agreement for typesetting would now contravene the law. However, despite these reservations, it is quite possible that some of the more technologically advanced newspapers might accept the NGA terms on local level.

The NGA's second major innovation is designed to ensure both its own survival in the event of single-keying being introduced and to prevent inter-union conflict.

In the light of new technology blurring demarcation lines—especially between journalists and printers—the union suggests "a new management and trade union concept, which views the entire 'origination' area (advertising, marketing, administration, editorial and production) as a single entity where the total labour force is distributed equally between Sogat, the NUJ and the NGA."

The NGA offers generously to give up members if necessary to establish an equal one-third stake for each union. At present, the NGA has about 11,000 members in the provincial Press compared with about 9,000 for Sogat and 5,000 for the NUJ. But there has already been some disagreement between the NGA and the NUJ at the technologically advanced Portsmouth Evening News.

Future NUJ-NGA conflicts over electronic page make-up and potential NGA-Sogat conflict over clerical recruitment could be side-stepped by the "one-third" agreement. The early response of both unions at national level has been positive but at local level journalists are anxious about being "taken over" by a dying craft union.

The NGA recognises that there are many practical problems. Mr Dubbins insisted last night: "We are not putting our own interests first—rather the interests of trade unionism throughout the industry."

UK NEWS

Security dealer bodies may merge

BY CHARLES BATCHELOR

THE National Association of Security Dealers and Investment Managers (Nasdim) may merge with the British Institute of Dealers in Securities (Bids), which represents market makers in the fast growing Over The Counter (OTC) stock market.

A link-up, which is probably still at least a year away if it is ever achieved, would give Nasdim self-regulatory powers over the OTC market and, equally important, give a seal of approval to Bids and to the OTC market.

Nasdim last November gained Department of Trade and Industry recognition, thereby allowing it to exercise control over the 325 licensed dealers and investment managers which are its members.

Bids, which has only four members, was set up last November in an attempt to impose self-regulatory standards on the largely unregulated OTC market.

If Bids were to link with Nasdim it would extend self-regulatory power to the OTC and remove it from the direct control of the Department of Trade and Industry.

However with only four members— a further four licensed dealers have applied to join—Bids is likely to face difficulties persuading the department it is a sufficiently representative organisation to be accorded official recognition.

Mr Roger Baden - Powell chairman of Bids, said yesterday: "We held very informal talks with Nasdim two months ago. I would hope some joint association can be arranged in a year or so's time. It would give greater depth and credibility to licensed dealers.

Mr John Grant, chief executive for the past year of Nasdim and a former senior planner with ICI, said: "We have talked. It would be feasible to have organisations representing investment managers and market makers under one umbrella but whether it happens is another other matter. Developments in the City are happening faster than anybody realised."

Both Bids and Nasdim claim to be complementary organisations but the reality has been that the 10 or so licensed dealers which act as principals, making a market in OTC stocks, have not seen their interests represented by Nasdim.

Only four of the OTC market makers have so far joined Bids to date but no licensed dealer has joined both organisations.

Not all of the OTC market makers have joined Bids though the organisation is keen to cover the whole market. Bids believes some large U.S. securities dealers active in the U.S. OTC stock market may soon apply to join.

The Bids OTC market comprises about 80 stocks traded over the telephone by 10 licensed dealers, some of which make markets although others just match bargains. Some market makers expect the number of stocks to rise to 200 by the end of this year.

William Dawkins writes: The Confederation of British Industry yesterday lent its support to the two-year-old OTC market. The move is widely seen as lending respectability to the OTC.

In an opening address to an OTC conference in London's Glaziers' Hall, Mr John Owens, deputy director general of the CBI, said: "We welcome in principle the development of the over the counter markets in the UK, which together with the Unlisted Securities Market, are providing a rapidly expanding means of bringing together willing buyers and sellers of existing shares in smaller public, and in the case of the OTC market, some private companies."

Another national laboratory may be sold

By David Fishlock, Science Editor

ANOTHER national laboratory may be sold following the success in privatising the Hydraulics Research Station two years ago.

Mr Kenneth Baker, Industry Minister, said in a House of Commons written reply that the Government was willing to consider private-sector bids for its Warren Spring Laboratory near Stevenage, Herts.

One of the Trade and Industry Department's six national laboratories, it is a chemical engineering and processing centre with special expertise in pollution control and monitoring, and in the applications of microprocessors to plant control.

An internal departmental study has shown that the laboratory could be maintained in either the public or the private sector, Mr Baker said.

Hydraulics Research, the former Hydraulics Research Station at Wallingford, Oxon, is ending the two-year "honeymoon" for which the Government pledged support after privatisation.

It specialises in water engineering schemes such as scale modelling studies on the Thames Barrage.

Warren Spring Laboratory is small by national laboratory standards, having been hived off from the former National Chemical Laboratory at Teddington, Middlesex.

But its reputation is high with the chemical industries for work on new process technologies and on mineral extraction and refining. It recently published an authoritative study of the acid rain problem in Britain.

N. Atlantic air fares to rise next month

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

SOME North Atlantic air fares will rise from April 1 by amounts averaging up to 5 per cent, to compensate for inflation over the past year.

The rises are being filed by airlines with their governments. They are expected to be given automatic approval, following failure to agree bigger increases at a recent meeting in Paris between the U.S. authorities and 16 member-countries of the European Civil Aviation CVonference (ECVAC).

The ECAC-U.S. talks focused on a range of complex issues involving fare increases as well as matters such as anti-trust immunity in fares fixing.

Although some progress was made, no decisions were reached.

Under arrangements already approved at earlier meetings, automatic fares rises to cope with inflation will become effective to cover the period from April through to October, this year.

British Airways will apply a 2 per cent or £20 rise, from £993 to £1,013 in the point-to-point London-New York first class single fare, and a 5 per cent rise (£23) from £448 to £472 in the Super Club single fare on that route.

Other changes include adjustments to the normal economy class single rate which will stay at £367 single year-round.

● BA is to try an experiment to make it easier for overbooked passengers to get onto e later aircraft.

Passengers who are overbooked will be asked to volunteer for a later flight, in return for a free travel voucher. The value of the voucher will vary, but will normally be more generous than the "denied boarding compensation" currently offered.

Short list confirmed for RAF training aircraft

BY OUR AEROSPACE CORRESPONDENT

THE RAF's short list of four types of basic training aircraft for a replacement for its ageing British Aerospace Jet Provost has been confirmed.

The eventual order could amount to more than 150 aircraft, worth more than £200m including spares and initial support costs.

Mr Geoffrey Pattie, Minister for Defence Procurement, said in a written parliamentary answer yesterday that the four types were: the Australian Aircraft Consortium (AAC) A-20, a derivative of the A-10 trainer under development for the Australian Air Force; the British Firecracker; the Swiss Pilatus PC-9, a derivative of the PC-7 in worldwide use; and the Brazilian Embraer EMB-312 Tucano. All are turbo-propeller aircraft.

The RAF is also studying the possibility of refurbishing the existing fleet of Jet Provosts. A choice between refurbishing and a new aircraft will depend on the costs involved. A decision is likely this summer.

The general view in the aerospace industry, however, is that a new aircraft will be selected, since the need is for a basic trainer to serve the RAF to the end of this century and beyond.

This week British Aerospace signed an agreement with Pilatus to manufacture the PC-9 in the UK if it is selected.

Sizewell inspector expresses annoyance

By Our Special Correspondent

POOR PROGRESS on resolving crucial safety issues does not instil confidence in claims that the Sizewell B nuclear power station can be built to forecasted time and cost, the public inquiry inspector said yesterday.

Sir Frank Layfield, QC, expressed his annoyance that agreed timetables put forward by the Nuclear Installations Inspectorate and the Central Electricity Generating Board to eliminate safety problems repeatedly had not been implemented.

If this continued during the station's licensing there could be little confidence the building timetable would be achieved and costs not soar.

The CEGB claims it can build Sizewell B in six to seven years at a cost of £1.2bn.

Sir Frank said reasonable progress in resolving safety issues was a crucial cost factor.

Factors blamed for the delay were similar to those four years ago.

Mr Paul Woods, deputy chief inspector of nuclear installations, said it had not been realised that the inquiry, in its 15th month, would take so long. The degree of detail being demanded had not been expected either.

The inspectorate had insufficient staff to deal with the inquiry's substantial extra demands.

Mr Brian George, the CEGB's pressurised water reactor director, said some delaying factors could not have been foreseen. The board believed the inquiry would take only six months and the change from the unique British design to the established U.S. one had led to complications.

Rise in race betting levy

Financial Times Reporter

AN INCREASE of about 3 per cent in horse race betting levy rates was announced in a Commons written reply yesterday by Mr Leon Brittan, the Home Secretary.

He said he was convinced bookmakers would be able to make their contributions "without making any increases in deductions from the punter."

In a written reply to Mr Charles Morrison (C Devizes), Mr Brittan said he had considered all submissions made by the Levy Board and the Bookmakers' Committee.

Mr Brittan said the Levy Board has estimated that horse race betting turnover would rise by 5 per cent in the period of the borserace betting scheme starting on April 1.

Bush fire suit may be settled out of court

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

AN OUT-OF COURT settlement is in prospect in the multi-million-pound insurance dispute arising from the bush fires that ravaged parts of Australia a year ago.

An offer has been made to the State Electricity Commission of Victoria (SECV) by its insurers and Sedgwick, Britain's largest independent insurance broker, which acted for the SECV.

That offer has been accepted by the SECV, subject to the approval of the Victoria state governor.

If there are no last-minute hitches, the settlement will be announced in the High Court on Monday.

Out - of - court negotiations have been going on this week after an attempt to settle the case failed last week.

The court hearing began eight weeks ago as a battle between the SECV, claiming insurance claims totalling about A$200m (about £130.8m), and its insurers, from whom it claimed to be entitled to recover about half that sum.

It rapidly became clear, however, that the real battle centred on Sedgwick, which came under attack from both sides.

The underwriters—38 UK and overseas insurance companies and four Lloyd's syndicates—alleged that the SEGV policies were void because Sedgwick, as the SECV's broker, had misled them about the true nature and extent of the risk.

The SECV asserted that if the policies were held to be void for that reason it would be entitled to be paid damages by Sedgwick.

Sedgwick denied the allegations and contended it had fulfilled its duty to give a full presentation of the facts to the underwriters.

Moves to settle the dispute came, possibly coincidentally, shortly after Mr Justice Lloyd had voiced his concern about the effect of the case on the London insurance market. There ought, the judge said, to be some way of settling such a dispute which did not involve an immensely long court hearing.

He had learnt that the hearing was expected to last until the autumn and that between £80m and £90m in claims and legal costs was riding on the outcome.

مكتبة الإسكندرية

THE WEEK IN THE MARKETS

A Budget for Industry

LONDON

ONLOOKER

Mr Lawson unveiled his "radical, tax-reforming Budget" on Tuesday and the City lapped it up. He has swept away some of the anomalies of corporate sector taxation, tackled at least some of the artificial incentives in the savings market and generally steered a course that left everybody happy—well, almost everybody.

As expected, the Chancellor axed premium relief on new life assurance contracts. The spectre of that loss had already wiped large amounts off the shares of life assurance groups but it is just too early to tell how badly profits will ultimately be hit. The public will still buy life assurance but undoubtedly the premium allowance was an effective marketing tool and it will be some months before it can be judged how much difference its absence will make to the level of business.

If life assurance executives were drowning their sorrows on Tuesday night, the relief that bankers felt that they had escaped a specific tax must soon have been undone on a closer look at the capital allowance changes. Their ability to shelter profits by leasing arrangements has been dealt a severe blow.

Those two sectors aside, this Budget really was a charter for industry. No doubt part of the market's euphoria, clearly evident in the way prices have moved this week, is enthusiasm following the halving of stamp duty and abolition of investment income surcharge. But that aside it was prospects for corporate earnings and dividends which really drove equity prices to new highs.

Industrial profits

There was no shortage of evidence for the picture of economic recovery painted by Mr Lawson on Tuesday. Throughout the week there has been a steady stream of major companies reporting sharp increases in profits. From the industrial heartland IMI, Steetley, BTR, GKN and TI all showed substantial rises.

With Thomas Tilling in its fold for the first time, profits from BTR have climbed several rungs up the ladder — but the underlying story looks pretty much the same. With £44.3m included from Tilling, group profits climbed £63.9m to £170.6m for the year pre-tax. The management has not lost the trick of extracting better margins despite volume pressures on its original business and the question now is how much extra the BTR men can wring out of Tilling. Assuming they can get borrowings down as planned another 1½ point margin on Tilling indicates around £270m pre-tax this year.

GKN found the market hard to please, however. Pre-tax profits more than doubled from £40.9m to £88.1m but the City had been looking for better than that. The benefits of retrenchment, which has cost £200m in the past three years, had already been discounted and the slackening of pace in the third and fourth quarters was unexpected. The automotive component business remained strong in profits terms, £81m against £59m at the trading level, but it looks as if volume has come off the boil. Even though profits could reach over £115m this year, that would still be £10m short of 1979.

Of more immediate interest is how the Monopolies Commission will decide over GKN's bid for fellow automotive component supplier, AE. To create one dominant UK supplier might sock in imports, given that UK car assemblers prefer dual sourcing. Yet if one efficient supplier is not created, will not imports be pulled in anyway, solely on grounds of price?

The arguments look finely balanced but if the Commission waves through GKN a battle is bound to follow. AE is in a much stronger position than it was last summer and has already declared its opposition to GKN, despite its reluctant agreement to GKN's three-for-five share terms before the Commission stepped in. If GKN wants AE it will have to improve on that original equity offer.

TI's shares have attracted more than their fair share of bid speculation in the last couple of months. Electrolux has disclosed a holding of 3 per cent and the shares were being marked as high as £3 in the market yesterday, against a low point of 130p less than six months ago.

Oil gusher

Yet a bid from Electrolux is looking increasingly unlikely. The latest rumour is that the Swedes are looking at Zanussi rather than TI's domestic appliances. Nevertheless the defences are already under construction. Full year profits came out this week showing £16.3m pre-tax against £4.7m in 1982 and over £23m of losses in 1981. The dividend is lifted by 2.5p to 10p a share and the picture is completed with a bullish statement. Some analysts are talking of £40m pre-tax this year.

The oil sector was not going to be left out of the general profits euphoria. On Thursday the oil sisters of British Petroleum and Royal Dutch/Shell Group both reported sharply higher full year profits. BP's final quarter took the full blow from Mukluk, the Alaskan oilfield that never was, but even so the full year is £150m ahead at the net profit level with £866m for the year. Add back £117m for Mukluk and incomes rose by 37 per cent.

The fourth quarter from Royal Dutch/Shell saw net income advance by £232m, lifting the full year result to £2.75bn against £1.99bn—a 38 per cent increase, almost right in line with BP. With both companies reporting on the same day it was tempting to look for direct comparisons and indeed there were a surprising number of parallels in terms of performance. The market undoubtedly liked what it saw and the shares rose strongly lifting the FT-Actuaries oil index by 3.8 per cent on Thursday—the best performing sector of the day.

In particular BP's dividend increase of 3.75p to 24p was well received lifting its yield to nearly 8 per cent. And with the memory of Mukluk fading its shares might well start to show some form. After all, BP's price is at its lowest point relative to Shell for more than a decade.

But if BP has the chance to make up some lost ground, long term Shell could still be the one out in front. Shell has a much better upstream geographic spread—BP has concentrated on the North Sea and Alaska—giving it a lower risk profile. Then, on the other hand, BP fans point out that Shell has not got BP's exposure to China, even if BP has not found the oil yet.

High-seas battle

Trafalgar House has been given the go-ahead to relaunch its bid for Peninsular and Oriental Steam Navigation. The Monopolies and Mergers Commission says that the enlarged group would not operate against the public interest. But will Trafalgar, with Mr Nigel Broackes at the helm, engage in another battle? To be sure, P & O, under the command of Mr Jeffrey Sterling, will not run up a white flag at first sighting of the Trafalgar smoke stacks.

Trafalgar originally launched its attack 10 months ago with the offer of an equity swap of five for four worth £290m or 204p per P & O share. During the time that P & O has rested safely in harbour protected by the heavy guns of the Commission Mr Sterling has been appointed to lead the group. He has a high reputation in the City and is determined to get the assets to work harder. P & O made profits of £34m pre-tax in 1982 and the City confidently expects £45m for last year.

Over the months P & O's share price has steadily risen beyond the original bid but Trafalgar's own equity has not lagged that far behind. If those original terms were revived the price would be around 290p a share, or over £400m. Presumably Trafalgar could build on that with its own credit lines to get a bid price approaching P & O's assets, which are something less than 350p a share.

Quality sweets

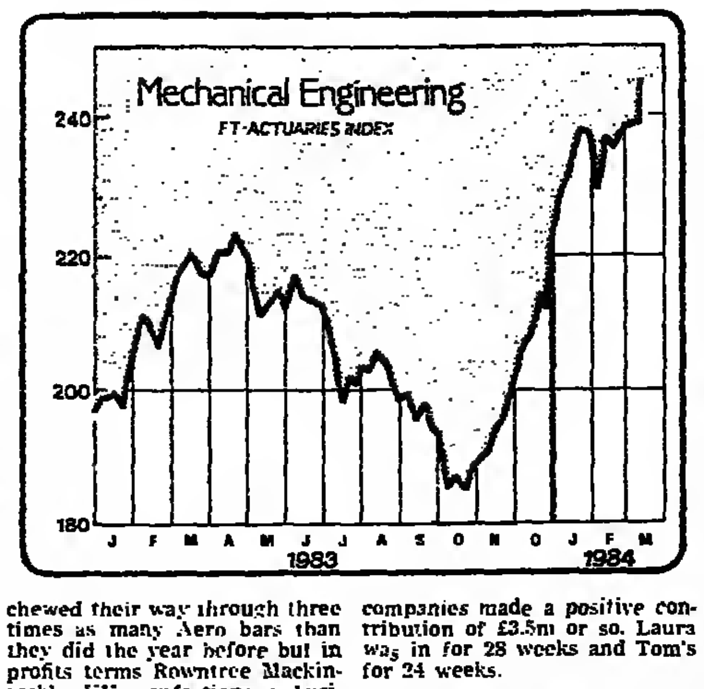
Under the Takeover Code Trafalgar has three weeks to launch another offer. If not then, it could always come back any time after May 23 when the 12 month stand-off period expires.

The British public may have chewed their way through three times as many Aero bars than they did the year before but in profits terms Rowntree Mackintosh's UK confectionery business was far from bubbly. Never mind, 1983 has given shareholders their first real taste of U.S. earnings and overall group profits of £61.4m against £50.4m are well up to expectations.

Rowntree took its time in breaking into the States but finally it pitched in with two acquisitions last year. First came the Canadian chocolate manufacturer, Laura Secord, for £20.1m and then Tom's Foods, a U.S. crisps and snacks maker for £140m. The action more than doubled interest charges, but even so the new companies made a positive contribution of £3.5m or so. Laura was in for 28 weeks and Tom's for 24 weeks.

That was perhaps all fairly predictable. More surprising was the contribution from European businesses which have been dogged by problems for years. From losses in 1981 Europe has moved through the break-even of 1982 to produce trading profits around £3m last year. Only Belgium failed to improve and while the returns are still a long way short of adequate, given the investment Rowntree has made, continued improvement now looks likely for the next few years.

Terry Garrett



INDEX PERFORMANCE SINCE END 1983

The following table shows the change in the FT 30-share index and its constituents since December 30, 1983. The FT Gold Mines Index is also shown.

	Price y'day	Change since year-end	1983/4 High	Low
Allied-Lyons	178	+ 40	178	129
Assoc. Dairies	180	+ 30	180	105
BICC	278	+ 33	290	210
BOC	288	− 8	307	107
BTR	473	+ 49	481	252
Beecham	338	+ 33	411	287
Blue Circle	442	+ 22	483	383
Boots	180	—	191	110
Bowater	280	+ 15	309	153
BP	475	+ 70	483	296
Cadbury Schweppes	129	+ 12	136	96
Courtaulds	145	+ 20	146	69
Distillers	272	+ 28	272	207
GEC	208	+ 28	250	172
Glaxo	870	+165	990	625
Grand Metropolitn	336	+ 61	336	247

	Price y'day	Change since year-end	1983/4 High	Low
GKN	212	+ 35	217	109
Hanson Trust	186	+ 14	192	113
Hawker Siddeley	414	+ 60	424	270
ICI	614	− 22	660	350
Imperial Group	138	− 4	162	108
Lucas	217	+ 41	223	124
Marks & Spencer	270	+ 55	273	191
P & O Defd	305	+ 56	312	108
Plessey	248	+ 20	255	177½
TI	290	+122	200	130
Tate & Lyle	405	+ 25	437	209
Thorn EMI	692	+ 39	695	416
Trusthouse Forte	225	+ 38	227	150
Vickers	162	+ 25	164	86
Ind. Ord. Index	894.3	+118.6	894.3	598.4
FT Gld Mines Ind	683.4	+112.7	734.7	444.6

Outlook brighter

NEW YORK

TERRY DODSWORTH

WALL STREET began this week in one of its blacker moods. The sharp sell off in share prices of the previous week had more than eradicated the effects of the stock market's feeble rally of late February/early March and U.S. financial markets appeared to be hypnotised by inflation and interest rate jitters.

A week ago the Dow Jones industrial average stood less than six points above its February low point of 1134.21 and the chartists were talking of another 150 point drop in share prices before the markets found new support levels. However, by the second half of the week, the black clouds had begun to lift sufficiently for Wall Street analysts to conclude that the sharp downwards correction in U.S. share prices, which began in early January and at its peak had lopped more than 150 points off the Dow, had just about run its course.

On Monday, equities staged their biggest gains for more than a fortnight. It was partly a technical rally as institutional investors began to move back into what they perceived to be "over-sold" stocks but there were also signs that U.S. financial markets were beginning to believe that something was finally going to be done about the massive U.S. budget deficit which has been haunting the market for weeks.

On Tuesday, the rally in U.S. share prices continued but at a somewhat slower pace and by Wednesday and Thursday, share prices were doing no more than inching ahead. The equity market continues to be impacted by the seemingly impenetrable gloom which has recently fallen over the U.S. credit markets.

The previous week had seen the Treasury's Long Bond shed 2½ points to 97¹⁄₁₆ and by the middle of this week, it had fallen by another half point or so and at one stage was yielding 12.4 per cent its highest level since 1982. Short term interest rates continued to move higher, some banks raised their broker loan rates and by Wednesday, First Chicago was piling on the gloom by predicting that the Prime Rate, unchanged since August 1983, was going to be raised another half point to 11½ per cent "within a few days."

Against this sort of background, U.S. share prices found it difficult to move ahead. However, on Thursday, the news began to improve. First, the U.S. Federal Reserve announced a $1.4bn drop in the U.S. money supply, when the market had been expecting a rise of roughly the same magnitude and second, the U.S. Administration announced that it had agreed a plan with Republican Congressional leaders to cut the budget deficit.

While analysts were quick to point out that getting support from your own party for budget cuts was one thing, and getting the democrats on your side was quite another, the credit markets were encouraged that after several weeks of stalemate some progress was being made at last. The existence of the huge deficit and the Administration's seeming inability to do anything about reducing it, has led to a highly unstable situation in the world's credit and foreign exchange markets which is distorting financial flows.

As the analysts tried to interpret the political and financial signals coming out of Washington, the big institutions have sat on the sidelines for most of the week and turnover was sluggish with most of the activity centering on special situations.

Once again oil stocks were in the spotlight and the arbitrageurs continued to churn over the shares of Gulf Corporation which is at the end of a $80 per share cash offer from Socal. It topped the most active list with 22m shares traded and in the first four days of this week another 11.5m shares changed hands. On Tuesday, the shares dropped to $64 but they recovered towards the end of the week and appear to be trading in the $65 to $67 range, whilst the arbitrageurs try and figure out whether Washington will get sufficiently worked up to block the bid. Fears of congressional action to curb the speculative fun in the U.S. oil patch were heightened following Mobil's $45 per share offer for Superior oil last weekend. Several senators are moving to get a temporary ban on mergers between the major oil companies and although Mobil argues that there is no anti trust problems with its offer for Superior because it has no overlapping refining or marketing activities, the latter's shares were still trading more than $5 below the bid price, reflecting the market's concern.

MONDAY	1,155.36	+15.6
TUESDAY	1,164.78	+ 9.4
WEDNESDAY	1,166.04	+ 1.2
THURSDAY	1,167.40	+ 1.3

Getting the wires crossed

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

BY OUR LEGAL STAFF

My father-in-law recently received a letter in part as follows from the Electricity Board, stating that his meter-readings since June 1982 had been crossed with those of a tenant in the same block of flats.

"We have recently checked the metering at the above premises and find that the meters have been crossed with Flat 3 when the meters were moved from the cellar to the present position. Under the circumstances we are arranging to credit your payments from quarter ending 9 June 1982 with the units to 13 December 1989 on meter L53L 07793."

I should like to know, (a) will he be obliged by law to pay the difference? He has been informed that he will owe the Board for several hundred units, and (b) has he any form of defence, or redress for this admitted error?

We think that your father-in-law would have a good basis on which to refuse to pay more than he has already paid for past quarters. He can rely on an account stated and also on estoppel—although the latter is of doubtful strength in a case like this. A firm refusal to pay further charges for past complete periods will probably resolve the position if it is resolutely persisted in.

Expenses for CGT

Could you tell me what expenses I can claim against Capital Gains Tax, having recently sold my holiday bungalow (2nd home) and I have made a large profit as I bought it in 1973 for approximately £5,000 and sold it in 1983 for £22,500.

I know the obvious ones i.e. Cost of house and expenses and Capital Gains tax allowance (how much?) and improvements with receipts, but my problem is, that a lot of the things paid for were by local labour, and they did not give receipts, for their own reasons. Also can I include insurance premiums paid and rates etc over the ten years?

If I have an accountant to do the job properly, can I claim his fees? Can I claim for a gardener and window cleaner who came once a month for approximately 10 years (as the property was in Wales and unoccupied most of the time, these people kept the house looking occupied and, we hoped, safe from break-in and fire raisers).

One accountant told me "You can claim for everything," another was not so optimistic.

The accountant who told you "You can claim for everything" clearly had not taken the trouble to read sections 32 and 33 of the Capital Gains Tax Act 1979. You cannot deduct insurance premiums, rates, gardening, window cleaning, repairs, maintenance etc., but you can deduct that part of an accountant's fee (if any) which relates to valuation or apportionment for the purposes of the capital gains tax computation.

The indexation allowance depends upon (a) the month in which the sale contract was made (the completion date being irrelevant) and (b) whether any bills for improvements fell due for payment after the end of March 1982. Ask your tax inspector for the free pamphlets CGT8 and CGT12, which should make the intricate rules a little clearer.

The Revenue changes its mind

My sister and I are beneficiaries of a family trust (the ABC settlement) set up by our late father under a single trust deed in 1948.

From the outset, the trusts' assets have been segregated into two separate funds for my sister and myself. Although the investments, which consist of stock market securities, have been broadly similar, the funds have been tailored to our individual requirements for capital and income.

The trust is administered by a corporate trustee who, under a special arrangement with the Inland Revenue, renders omnibus returns for CGT purposes which include details of the individual trusts under its administration.

For the ABC settlement, a full allowance has always been claimed for each fund and the returns to the Inland Revenue have always indicated this. Until recently the Revenue has always accepted the returns on this basis. The Revenue, however, has changed its mind and now maintains that, as the trust was originally a single settlement, only one allowance is available to the trust and are claiming additional CGT for the years 1978-1982.

Is the Revenue correct in its contention that the trust is a single settlement and therefore only entitled to a single allowance?

Is the Revenue entitled to claim arrears of CGT notwithstanding that it has always been aware of the basis of the returns and accepted them on the basis?

On the bare facts, the answers are (i) yes and (ii) quite probably not, in the light of Olin Energy Systems Ltd v Scorer.

Allowable expenses

I am 61 years 9 months old. I was retired from my main job in March 1981 with an occupational pension. Subsequently I took a job with a "Quango" that closed down in December 1982; this pays a small pension deferred to age 65.

In the current tax year (1983/84) I have done a "one-off" consultancy job for a flat "all-in" fee of £2,500. Some £150 of this may be allowable against tax as expenses.

Can I divert 20 per cent of (a) the gross fee; (b) the fee after expenses tax-free into a pension hood that will pay an annuity? Can the annuity be (c) immediate (ie payable in tax year 1984/85) or must it (d) be deferred to age 65?

Although I am open to other consultancy jobs the chances of getting other such income are small.

My 1983/84 marginal tax-rate is estimated at 45 per cent.

You can pay 20 per cent of your taxable freelance earnings into a retirement annuity policy. This means 20 per cent of your fee after allowing for expenses. It should be paid as a one-off single premium policy.

The tax provisions for self-employed retirement annuities permit you to take your benefits at any time after age 60. You do not, therefore, have to wait until you are 65. If your fee less expenses is taxable in the current fiscal year 1983-84, and your assessment is agreed at some time in the year 1984-85, then within a month of such assessment being made since you can pay a single premium and have it allowed as an expense in the tax year 1983-84. If you draw your maximum permitted tax free cash and first instalments of annuity in 1984-1985 then you will be taxable in 1984-85 for the actual instalments of annuity received in that fiscal year. To get the right terms you will obviously have to choose the right insurance company.

Service charge in flats

I live in a block of entirely owner occupied flats on a 125-year lease. A company of which each flat owner is a member, runs the building. I am very dissatisfied with the services given and have refused to pay the service charges. The directors are secretive and autocratic and provide the minimum information as to how the money is spent. Could you tell me what remedies the directors could use to enforce prompt or complete payment of the arrears?

Your lease probably contains a covenant to pay the service charge, and this may include a provision that the charge is recoverable as rent in arrear. If so the ultimate sanction for non-payment would be forfeiture of the lease. There could also be a distress levied, but this is a most unusual course for a residential landlord to adopt. The accounting for the make up of the service charge must comply with the requirements of the Housing Acts 1974 and 1980.

Prudent claims

My house is partly used in connection with my business (a limited company in which I own all the shares). HM Inspector of Taxes accepts that no part is used exclusively for business purposes and has agreed to allow me to claim 20 per cent of the total appropriate costs as a business expense in recognition of the shared use.

What types of expense would it be prudent to claim (e.g. rates, heat, lighting, repairs, decoration, window cleaning, furnishing, etc). Alternatively, are there some which it would be prudent not to claim?

All the expenditure you listed should be (partly) allowable, except furnishing. Replacement of outworn furniture etc could be (partly) allowable, but probably not in the first year or so. Do not risk revision of what looks to us like a good bargain by asking for too much.

Powerline strikes sparks

Unlisted Securities Market

BY WILLIAM DAWKINS

READING-BASED electronic power supplies company Powerline International made a sparkling—if unconventional—debut on the USM this week.

Its issue of 3.4m shares, 32 per cent of the equity, was over-subscribed 72 times, attracting applications worth £400m for shares valued at £5.5m.

Private investors were out in force, accounting for nearly 40 per cent of the applications, and the stags, who subscribe with the aim of making a quick profit, made their customary onslaught.

"We had a great many multiple applications, with everybody from Donald Duck to Jehovah on the list," says John MacArthur, a director of merchant bankers Kleinwort, Benson, the issuing house.

On Wednesday, the first day of trading, the share price embarked on a breath-taking switchback. It opened at 245p against the offer price of 160p and climbed to 255p before the stags took their profits and dropped the shares back to 225p.

Towards the end of the day, the shares climbed back to 248p, a 55 per cent premium over the offer price, at which Powerline is valued at £26.4m.

At that level, the two principal directors' personal shareholdings are worth £1.8m and £1.1m respectively. Powerline, which markets and distributes electronic power supplies, expects profits this year to double to nearly £1.2m pre-tax. Sales have increased nearly ten-fold since the company was set up five years ago.

In most respects, Powerline bears all the hallmarks of a typical fast-moving USM new issue. Yet the way in which Kleinwort handled the allocations raised eyebrows through the City and underscored the special problems USM issuing houses face in sharing out small slices of a company cake among a host of voracious mouths.

Normally, shares are allocated in several stages so that the size of individual allocations reflects the number of shares applied for. Most issuing houses also like to spread holdings as widely as possible within the limits of ensuring that institutional investors still get a worthwhile stake on which to build.

Kleinwort hit on the highly unusual method of splitting allocations into two ballots; one for 5,145 lots of 300 shares each, and a second for 20 allocations of 50,000 shares each.

The result was that around a third of the issue went to 20 shareholders. The feelings of institutions which had stumped up for large stakes just short of the 120,000-share cut-off, only to find that they were in the gamble for 300 rather than 50,000 shares, were more bruised than is usual in over-subscribed issues.

"I have never seen anything like it," one broker complained. More important, by limiting its institutional following to an initial 20 shareholders, instead of the several dozen usually attached to USM companies, Powerline might find itself short of valuable big investor support in any future bear market.

MacArthur believes that institutions unlucky enough to fall into the wrong end of the ballot are sophisticated enough to forget any wounded pride in the aftermarket.

Drinking in Lawson's corporate tonic

USM INVESTORS have been quick to latch on to the possible effects of the Chancellor's package of business tax reforms. It is likely to be some time, however, before the junior stock market feels the full impact of Nigel Lawson's corporate tonic.

Initially, the USM's heavy weighting of highly taxed service industry companies, which account for an estimated 20 per cent of the market's £2.5bn worth, make it well-placed to benefit from the corporation tax cuts announced in Tuesday's Budget.

So it is no accident that the week's top 10 high-flyers include two advertising companies, a recruitment agency, a computer software group, a restaurant and even a pawnbroker.

Their share prices showed gains of between 7.4 per cent — for Harvey & Thomson, the only quoted pawnbroker, which is perhaps perceived as a beneficiary of any hard-hit smokers' needs to cash in their family jewels — and 16 per cent from Michael Page, an international financial recruitment consultancy.

Harvey & Thompson is also one of an estimated 34 companies on the USM with annual profits of less than £100,000, which will benefit from the eight percentage point reduction in the small business tax rate, to 30 per cent.

Michael Page is an example of the dozen or so "people businesses" on the USM, which depend on employee share option schemes to give key personnel an incentive not to walk off to competitors. These are likely to gain from the abolition of income tax on gains from employee share options, which will now only be subject to capital gains tax.

"Many unlisted service industry companies may find this a further encouragement to go for a listing on the USM, since employees' shares will be that much more marketable," says Simon Hunt, a partner of accountants Peat Marwick in Birmingham.

Just as on the main market, some USM companies look set to lose out from Tuesday's measures. The phasing out of capital allowances could be a blow to the capital-intensive oil sector, which accounts for 16 per cent of the USM's worth, and fast-growing companies with heavy spending on new plant and machinery.

Sure enough, the post-Budget laggards' list has thrown up Pict Petroleum, an oil exploration company, and Haytern, which is in the capital-intensive lawnmower business. Their share prices slipped by 6.3 per cent and 4.2 per cent respectively.

Overall, the USM gave the Budget a tentative raspberry. Having stuck at just short of 109—against a November 1983 high of 100—since the start of the month, the Datastream USM leaders' index climbed to close at 110 by the end of the week, marginally underperforming the main market.

While turnover hit record heights on the full board, jobbers report that dealings in existing USM stocks were unremarkable, although it was an unusually heavy week for new issues, with four companies, Powerline, Scantronic, Paton International, and CPS Computers, making their debuts.

Many of the Budget measures, like the reduction in stamp duty and the abolition of investment income surcharge, are particularly attractive for companies yet to come to the USM, either to raise capital or for the directors to cash in their chips.

W.D.

It's not too cold outside

MINING

KENNETH MARSTON

LEFT OUT in the cold, the mining sharemarket has had its nose pressed to the window this week, watching the UK industrial equities enjoying the cheer provided by the Budget. Nearly all the mining companies are registered overseas so the UK Budget is largely of academic interest as far as they are concerned.

But some of the mining finance houses are UK-based and they have important non-mining interests here. These companies include Charter Consolidated, Consolidated Gold Fields, Hampton Gold Mining Areas and Rio Tinto-Zinc.

Like other UK companies they will benefit from the proposed reduction in corporation tax. Their UK interest will be adversely affected by the reduction in capital allowances and abolition of stock relief. But they will be able to use corporation tax on UK profits to offset Advanced Corporation Tax paid on their dividends, as before, and broadly the more that they can earn from UK activities the better.

On balance, therefore, the latest UK Budget is good for these companies. Just how good remains to be seen and the benefits will vary from case to case, but it is not going to make any dramatic change in their fortunes — only a sustained recovery in metal prices can do this.

As I pointed out last week, the mood of the metal markets appears to be changing for the better. While aluminium and zinc have already seen good rises, further straws in the wind continue to appear. Nickel is perking up and even copper, something of a Cinderella these days, has brightened.

The price of cash copper on the London Metal Exchange jumped £21¼ to £1,011½ per tonne at the end of last week and this week it has moved moved further ahead to £1,044¼, the highest for six months.

Lead has been attracting more interest while, over the past two weeks or so, a sharp revival of buying has been seen in a wide range of minor metals such as cobalt, antimony, molybdenum, manganese and tungsten. So far, so good.

In the more exotic area, diamond sales continue to improve and it is a case of "steady as she goes" at De Beers as the South African diamond giant remains firmly on the recovery course. Earnings for 1983 have improved 19.8 per cent to R530.2m (£300.8m), or 147.4 cents per share, from R442.5m in 1982.

As I suggested at the halfway stage, De Beers has made a token increase in the final dividend of 2.5 cents to 27.5 cents, making a total for the year of 40 cents against 37.5 cents. This is the first increase in the year's total payment since the best-ever payment of 75 cents for 1980—just before the storm broke.

Matters have been helped by an improvement at the non-diamond interests together with increased gold investment income. But the main push has come, of course, from the pick-up in the market for diamonds which allowed the group's Central Selling Organisation (CSO) to raise prices for rough (uncut) gem diamonds by an average of 3.5 per cent last April.

Retail sales of diamond jewellery reached record levels last year and the Christmas trade in the U.S. was particularly good. De Beers says that the retailers are optimistic about 1984 prospects and so the CSO is expecting a continued improvement in its sales of rough gem diamonds.

Last year's demand for gems was concentrated on what De Beers whimsically calls the "cheap" stones, but it also spread into the larger and more expensive diamonds. The market has not yet reached the stage whereby the top "investment" quality diamonds are attracting many buyers.

This type of stone must make up a sizeable proportion of De Beers' big stockpile of unsold diamonds which has risen further to an awesome R2.25bn. It is possible that De Beers may be able to make some sales from this stockpile in the current year.

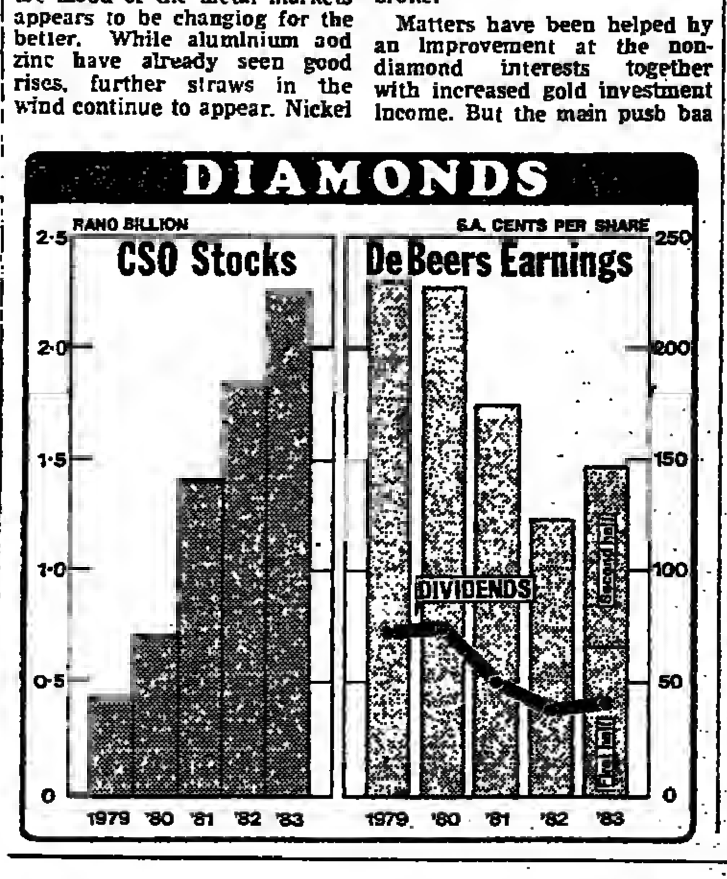
At all events, a further rise in profits is on the cards and this should continue into 1985 providing, of course, that the U.S. economy remains in good shape.

The Australian mining sharemarket, which has been something of a "cow-rin' fim'rous beastie" in recent times, began to look a little more lively yesterday which will be of interest to Hampton Gold Mining Areas now that it is planning a A$7.3m (£4.8m) Australian flotation.

The UK international natural resource group has announced that it will offer 25 per cent of its Australian subsidiary, Hampton Australia (HAL) to the Australian public. The 20 cents shares of HAL will be offered Down-Under at a price of 75 cents, thus valuing the company at some A$29.1m.

The major interest of HAL is its 20 per cent stake in the Paringa joint gold mining venture with CSR at Kalgoorlie in Western Australia. Gold production is running at an annual rate of 35,000 oz and it is hoped to raise this in due course to around 64,000 oz.

Hampton Areas will keep the remaining 75 per cent of HAL while the latter will receive the proceeds of the issue to further its development. The deal fits in with Australia's desire for a greater local participation in foreign-controlled projects and should also lead to greater opportunities for HAL to participate in other mining projects in Australia.



BASE LENDING RATES

A.B.N. Bank	8½%	■ Hambros Bank	8½%
Allied Irish Bank	9 %	Heritable & Gen. Trust	8½%
Amro Bank	8½%	■ Hill Samuel §	9 %
Henry Ansbacher	8½%	C. Hoare & Co. †	8½%
Armco Trust Ltd.	8¾%	Hongkong & Shanghai	8½%
Associates Cap. Corp.	9¼%	Kingsnorth Trust Ltd.	10 %
Banco de Bilbao	8½%	Knowsley & Co. Ltd.	9½%
Bank Hapoalim BM	9 %	Lloyds Bank	8½%
BCCI	9 %	Mallinhall Limited	8½%
Bank of Ireland	9 %	Edward Manson & Co.	10 %
Bank Leumi (UK) plc	9 %	Meghraj and Sons Ltd.	8½%
Bank of Cyprus	8½%	Midland Bank	8½%
Bank of India	9 %	■ Morgan Grenfell	8½%
Bank of Scotland	8½%	National Bk. of Kuwait	8½%
Banque Belge Ltd.	8½%	National Girobank	9 %
Banque du Rhone	9½%	National Westminster	8½%
Barclays Bank	8½%	Norwich Gen. Tst.	8½%
Beneficial Trust Ltd.	9½%	R. Raphael & Sons	9 %
Bremar Holdings Ltd.	8½%	P. S. Refson & Co.	9 %
Brit. Bank of Mid. East	8½%	Roxburghe Guarantee	9½%
■ Brown Shipley	9 %	Royal Trust Co. Canada	8½%
CL Bank Nederland	8½%	■ J Henry Schroder Wagg	8½%
Canada Perm't Trust	10 %	Standard Chartered	8½%
Castle Court Trust Ltd.	9 %	Trade Dev. Bank	8½%
Cayzer Ltd.	9 %	TCB	8½%
Cedar Holdings	9 %	Trustee Savings Bank	9 %
■ Charterhouse Japhet	9 %	United Bank of Kuwait	8½%
Choulartons	10½%	United Mizrahi Bank	8½%
Citibank Savings ¶	10½%	Volkskas Intnl. Ltd.	9½%
Clydesdale Bank	8½%	Westpac Banking Corp	9 %
C. E. Coates	9½%	Whiteaway Laidlaw	9 %
Comm. Bk. of N. East	8½%	Williams & Glyn's	8½%
Consolidated Credits	9 %	Wintrust Secs. Ltd.	9 %
Co-operative Bank *	8½%	Yorkshire Bank	8½%
The Cyprus Popular Bk.	8½%		
Dunbar & Co. Ltd.	9½%		
Duncan Lawrie	8½%		
E. T. Trust	9½%		
Exeter Trust Ltd.	9½%		
First Nat. Fin. Corp.	11 %		
First Nat. Secs. Ltd.	10½%		
Robert Fraser	9½%		
Grindlays Bank ‡	8½%		
■ Guinness Mahon	8½%		

■ Members of the Accepting Houses Committee.
* 7-day deposits 5.25%. 1-month 6%. Fixed rate 12 months £2,500 9%. £25,000 12 months 8.5%.
† 7-day deposits on sums of: under £10,000 5¼%. £10,000 up to £50,000 6¼%. £50,000 and over 7¼%.
‡ Call deposits £1,000 and over 5¼%.
‖ 21-day deposits over £1,000 5¾%.
§ Demand deposits 5¼%.
¶ Mortgage base rate.

UK CONVERTIBLE STOCK 17/3/84

Statistics provided by DATASTREAM International

Name and description	Size (£m)	Current price	Terms*	Conversion dates♣	Flat yield	Red yield	Premium† Current	Premium† Range‡	Income Equ§	Income Conv¶	Income Div♡	Cheap (+) Dear (−)◊ Current
British Land 12pc Cv 2002	9.60	398.50	333.3	80-92	3.0		−5.9	− 8 to 1	45.9	66.4	4.8	+10.7
Hanson Trust 9½pc Cv 01-06	81.54	279.50	160.7	85-01	3.5		−6.5	− 8 to −1	169.4	70.5	−33.1	−26.6
Slough Estates 10pc Cv 87-90	5.03	264.50	234.4	78-85	3.8		−9.7	−14 to −4	18.8	9.4	− 3.2	+ 6.5
Slough Estates 8pc Cv 91-94	24.72	120.50	97.5	80-89	6.7	4.9	−1.1	− 6 to 3	26.9	30.4	2.9	+ 4.0

* Number of ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is summed from present time until income on ordinary shares is greater than income on £100 nominal of convertible or the final conversion date whichever is earlier. Income is assumed to grow at 10 per cent per annum and is present valued at 12 per cent per annum. ¶ Income on £100 of convertible. Income is summed until conversion and present valued at 12 per cent per annum. ♡ This is income of the convertible less income of the underlying equity expressed as per cent of the value of the underlying equity. ◊ The difference between the premium and income difference expressed as per cent of the value of underlying equity. + is an indication of relative cheapness. − is an indication of relative dearness. ♣ Second date is assumed date of conversion. This is not necessarily the last date of conversion.

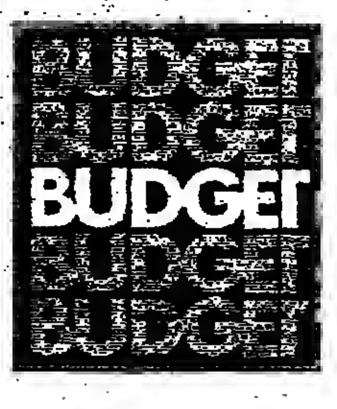
SAVINGS OFFERS

YOUR SAVINGS AND INVESTMENTS—1

TAX RELIEFS

Outlook for those beloved perks

PROFESSOR CEDRIC SANDFORD looks at how the Chancellor has grappled with Britain's rickety tax system



IN HIS first budget, the Chancellor has hoisted the standard of radical tax reform. He has made major reductions in some taxes—and promised more to come. Most notably, he has abolished the investment incomes surcharge, slashed corporation tax and stamp duties, and proposed a big increase in *the threshold of income tax.*

While some taxes, notably on tobacco, have been increased and the standard rate of VAT has been extended to housing alterations and take-away foods, the remarkable achievement of the Chancellor is to have effected these major tax reductions within a broadly neutral budget, without greatly increasing other existing taxes or imposing new ones.

He has done this by a bold attack on tax allowances and reliefs—income tax relief on life insurance premiums, capital allowances and tax concessions on earnings of Englishmen working abroad and of foreigners working in Britain.

Can the conjuring trick be *repeated? What scope is there* for further movement along the same road in future budgets?

The Americans have coined the term, "tax expenditures," to describe and emphasise the fact that tax reliefs are equivalent in terms of revenue foregone to direct government expenditure.

A recent study defined a tax expenditure as "an exemption or relief which is not part of the essential structure of the tax code for some extraneous reason; that is, in order to ease the burden for a particular class of taxpayers, or to provide an incentive to apply income in a particular way, or perhaps to simplify administration."

Since 1979 the Government has published a list of direct tax allowances and reliefs as an appendage to the Public Expenditure White Papers and included estimates (some very tentative) of the cost to the exchequer.

One can argue about which exemptions or reliefs are part of "the essential structure of a tax": but, if we take it that, for income tax, the married and single person's allowances alone constitute such an essential feature, after allowing for this year's Budget proposals, we are left with tax exemptions or reliefs from income tax and capital gains tax, which are well over £10bn and could well exceed £150bn.

The ambiguity arises partly from the difficulty of doing the sums—the 1984 White Paper gives the cost of pensions relief at between £650m and £2.9bn, depending on method of calculation—and partly from the fact that each relief is costed separately.

Any wholesale withdrawal would have a marked effect on the numbers paying tax, and the rates at which they pay. Furthermore, the withdrawal of a relief affects people's behaviour patterns, and hence the saving to the Exchequer.

These qualifications do nothing to gainsay the fact that the potential savings to the Exchequer from abolishing or reducing tax expenditures are huge. The biggest items are wife's earned income allowance (estimated at £2.8bn in 1983-84), age allowances (£490m), pension schemes (£650m to £2.9bn), self-employed retirement annuity payments (£450m), interest on loans for purchase or improvement of owner-occupied property (£2.8bn) and capital gains arising on disposal of only or main residents (£2.3bn).

The abolition of any such tax expenditures at a stroke would generate howls of rage and no doubt cause hardship. But as the Chancellor showed in his treatment of life insurance, by removing the relief from new policies only, it is possible to proceed by stages.

Thus, for example, the wife's earned income allowance could be reduced but not abolished. Funds held in pension schemes could be subject to a reduced tax rate; mortgage interest could be relieved at standard rate only and the ceiling for tax relief of £30,000 not increased to match inflation.

Such a policy would require political courage—but the Chancellor has shown courage in his first budget. Along with it goes the sweetner—lower tax rates. This fulfills the stated aims of the Chancellor's tax reforming policy—to improve economic performance (by lower tax rates and fewer distortions) and to simplify the tax system.

Most radical would-be reformers of the UK tax system have advocated either switching from an income to an expenditure tax base or moving to a comprehensive income base which would tax capital gains as income. In his speech, the Chancellor repudiated an expenditure tax as "wholly impractical and unrealistic."

Instead, he proposed "to introduce reforms, some of them *far-reaching, within the framework of our existing income-based system.*" He has made a significant start down the road towards a comprehensive in*come tax;* he could yet travel a lot further.

* *Tax Expenditures in the United Kingdom, by J. R. M. Willis and P. J. W. Hardwick, Institute for Fiscal Studies, 1978.*

FRIENDLY SOCIETIES

The reason why the Chancellor was unfriendly

THE CHANCELLOR'S attack on the unequal tax treatment of different financial institutions has been particularly vicious in the case of the new-style tax-exempt friendly societies.

Not only have they lost Life Assurance Premium Relief along with life companies, but also the limits on which they can invest their clients' money tax free have been drastically reduced. The net result is that the limits on which the tax exemption of investment funds is given are cut back—from £2,000 to £750 in the case of the sum assured (death cover) given on a policy, and from £416 to £156 for the annuity provided.

The Government made no attempt to hide the reasons for singling out these investment vehicles for some rough treatment. The authorities did not like the way these societies operated and were perturbed at the growing drain on the Revenue.

For decades, friendly societies have received tax concessions on *their investment income for that* part of their business relating to their traditional role of providing benefits in time of need —sickness, unemployment, retirement and death.

New societies were set up to exploit these concessions, and offer highly tax efficient savings plans that were aggressively marketed by life assurance intermediaries. The commissions were generous and charges high.

In a letter to Mr P. Madders, chairman of the Friendly Society Liaison Committee, Mr Ian Stewart, Economic Secretary to the Treasury claims that the activities of these societies bore little resemblance to the traditional concept of the role of friendly societies.

Mr Stewart indicated that a thorough application of the Chancellor's economic philosophy would have resulted in the complete withdrawal of the tax exemptions for friendly societies.

But the Chancellor drew back from this ultimate sanction. He obviously feels that this week's punitive action will be sufficient.

There is no doubt that the Chancellor had to take drastic action. A large number of societies were about to be launched, under the sponsorship of every financial institution from the largest building society to the humblest financial planner.

Early indications are that the Chancellor's action has stopped such plans in their tracks. But what of the existing ones? Will they quietly fold their tents and depart from the investment scene?

Two societies—the Lancashire and Yorkshire and the Planned Savings both intend to bring out viable tax exempt savings plans shortly which can be sold as before, even though the benefits are lower.

The other societies state that they are studying the proposals which means that they are waiting to see what everyone else does. The Chancellor may have to be even more ruthless, if he wants to finish off the societies completely.

ERIC SHORT

CAPITAL TRANSFER TAX

£300m bonus for one Cheshire family

WHILE most Britains have been *calculating* how the Budget will save them a few pounds here and cost them a few pounds there, one family is relishing a concession from the Chancellor which could be worth £300m.

The family is that of 32-year-old Gerald Grosvenor, the sixth Duke of Westminster and Britain's richest man, with an inherited fortune reckoned to be worth around £2bn.

The family's estate, which includes 300 acres of freehold land in Mayfair and Belgravia and tens of thousands of acres in Cheshire, north Wales, north Scotland and Vancouver, has been passed down largely intact from the second Duke.

Apart from an estate in Pimlico, the taxman, armed with the blunt weapon of estate duties, has been left empty-handed over the last 40 years, because of the family's skilful use of trusts and an exemption granted to the victims of war wounds.

This week, a large cut in the top rate of capital transfer tax (CTT) on lifetime gifts, announced in the Budget, has provided a windfall for the Duke's family.

The sixth Duke, who inherited his fortune at the age of 21, has always been able to benefit from the reductions in valuation granted to small businesses and agricultural landlords. This could save his family £100m or so. But the other exemptions and reliefs granted by the last Tory Chancellor, Sir Geoffrey Howe, while very useful to those worth only a few £100,000 or even a few million, have represented a mere drop in the ocean to the Duke.

With the courts now taking a tougher stance against tax avoidance, however, the possibilities are limited. A court ruling in a tax case brought against the third Duke, which provided a legal justification for tax avoidance schemes over the last 50 years has now been implicitly overturned.

Provided the Duke and his wife pass on most of their wealth at least three years before each dies, they will now have to pay tax at a rate of only 30 per cent instead of 50 per cent. If, for CTT puposes, their estate is valued at £1.5bn, the taxman will receive only £450m instead of £750m.

Three years ago, the family benefited to a similar extent when Sir Geoffrey Howe reduced the top rate on lifetime transfers from 75 to 50 per cent.

Clive Wolman

CORPORATE BONDS

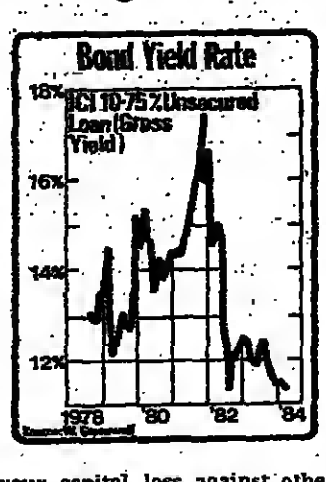
When a face lift isn't enough

CLIVE WOLMAN looks at whether tax changes have created a competitor to gilts

THE ATTRACTIONS for the private investor of lending money to companies rather than to the Government, through the purchase of bonds rather than gilt-edged securities, have been enhanced by changes in the budget.

Any bonds, debentures, loan stocks or other pieces of paper *issued by companies, which* offer the purchaser a fixed rate of interest, will no longer be subject to capital gains tax if held for more than a year. Gilt holdings for over a year have been granted the same exemption since 1968.

Capital gains will normally accrue to bond-holders when interest rates fall, if the redemption date of the bonds is still far away. Whilst such gains will no longer be taxed, the converse is also true. If interest rates rise and bonds fall in value, you can no longer offset your capital loss against other capital gains.



For basic rate taxpayers, corporate bonds hold some attractions over gilts or local authority bonds. To compensate for the risk that the company may become insolvent and default on its debts, these bonds offer higher interest rates than government securities.

The rates of interest they offer are also usually better than those offered by building societies or the National Savings investment accounts, although at present there is little to choose between them—and arguably not enough to compensate for the uncertain returns from corporate bonds.

But for higher rate taxpayers, the interest paid out by a company to its bond-holders will be taxed so heavily that it would be unattractive to hold them. Their post-tax returns cannot compete effectively with low-coupon gilts which offer little by way of taxable interst but instead guarantees a capital uplift which is tax-free. The abolition of the 15 per cent surcharge on investment income above £7,100 a year, however, means that more people, particularly pensioners, will now be paying tax at the basic rate of 30, instead of 45 per cent.

Companies may also issue low-coupon bonds with a guaranteed capital uplift if held to redemption. But in that case the owner will be taxed on the capital uplift at the redemotion date as if it were income at his top marginal rate, under the new rules confirmed in the budget.

If the bond is sold before its redemption date at above its "natural" price, as calculated by the Inland Revenue, capital gains tax will also be payable.

Thus the only advantage for a higher rate taxpayer of holding a corporate bond with a low coupon is if he expects to be in a much lower tax bracket at the redemption date which might be as much as 20 years away. He may, for example, have retired by then or he may be planning to spend a period abroad.

However, a simpler and less risky way of deferring tax on interest until you move into a lower tax bracket is by placing your money with one of the surviving offshore roll-up funds. These offer a money market rate of interest, albeit lower than those offered by corporate bonds, which is accumulated within the fund and not taxed until the capital is withdrawn.

STOCK MARKETS

Nigel floors the City jeremiahs

RICHARD LAMBERT reviews the attractiveness of investment in shares and gilts

THE STOCK market had high hopes of the Budget statement — and was not disappointed. The FT Industrial Ordinary Index was up by 7 points at an all-time high of 851.1 when the Chancellor began his speech on Tuesday afternoon — and it had risen a further 14 points by that day's close.

Wednesday brought near-record volumes of trading as investors churned around the winners and losers. The advance got under way again on the following day, fuelled by some impressive results from a number of big companies.

The financial commentators were full of praise in their snap judgments. Brokers Scrimgeour, Kemp-Gee summed up the general mood: "A combination of overdue tax reform, apparent tax cuts for both the corporate and personal sector, and a lower estimate of the public sector borrowing requirement comes very close indeed to being good news for virtually everyone."

It was, for all that, essentially a neutral Budget. What people liked was the confident tone of the Chancellor's delivery, his cheerful projections for economic growth, public spending and the rate of inflation, and his imaginative approach to tax reform.

The financial seal of approval came the following morning, when three of the big four clearing banks cut their base lending rates by half a percentage point to 8½ per cent.

Yet the general view in the City is that there is not much room for further reductions in base rates, at least over the near term. The Chancellor's fiscal and monetary strategy during the next 12 months and beyond rests heavily on tight spending controls over the medium term and on buoyant tax revenues.

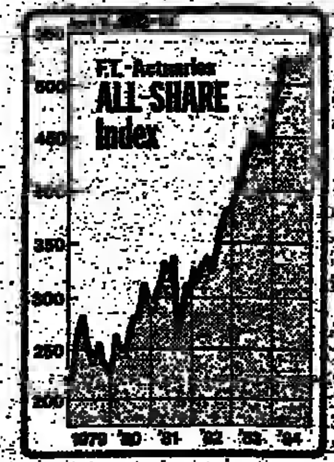
If he has got either of these variables wrong, his borrowing targets will turn out to be much too optimistic.

It is true that the Chancellor has already floored the City's Jeremiahs once. The optimism expressed in his autumn statement has been well justified and Treasury officials burble that every time they revise their figures these days, the picture looks better.

Even so, the Budget forecasts do not seem to change the outlook for the gilt-edged market in any marked way.

Phillips and Drew's conclusion—echoed by several other brokers—is that "the fine balance for and against gilts is not significantly changed by the Budget." The inflation prospects still look quite encouraging, but government funding even on the best assumptions will still be relatively burdensome.

Given the international constraints—notably the uncertain outlook for interest rates in the U.S.—the scope for any sustained fall in the cost of money in the UK appears limited.



There is a much more positive story to tell in the equity market. For one thing, companies are going to have to pay less tax. After allowing for the abolition of stock relief and initial allowances, the corporation tax take will fall by some £280m in 1984-85, and there will be further savings in the following years.

This probably adds up to a modest rise of say, 1 or 2 per cent in after-tax earnings across the company sector as a whole.

In addition, the cuts in the rate of corporation tax will make it relatively less expensive for most companies to distribute dividends to their shareholders out of their after-tax income.

On a more cosmetic level, the changes will encourage analysts to work out their earnings forecasts on the basis of the actual tax charged, rather than on a notional full rate of tax.

The effect, according to some brokers, is that the prospective price earning ratios of many companies will be reduced by quite a margin.

There are other benefits for the equity holder. The abolition of the surcharge will increase the value of investment income relative to other sources of income. And the reduction in Stamp Duty, which is being halved to 1 per cent, will cut the cost of share dealing.

The purchaser of £5,000 worth of shares will now have to pay a little over £145 in dealing expenses, £50 less than previously.

At the same time, the economic outlook which was sketched out in the Budget will help to support a further rise in profits and dividends, both of which should comfortably outstrip the rate of inflation both this year and next.

According to the Treasury, retained profits of industrial and commercial companies increased by nearly a half last year, an estimate which has been backed this week by a stream of good results from companies like GKN and ICI.

Not all companies emerge as winners from the Budget changes. The life assurance sector will be squeezed over the longer term by the abolition of premium relief on new contracts. That move had, however, been pretty well discounted by share price falls in recent weeks.

The clearing banks, however, have come in for a wave of selling since Tuesday. They are hurt on two fronts. The cut in industrial allowances will reduce their scope for cutting their tax liability by leasing out capital equipment. And the introduction of a composite rate tax will make their struggle for retail deposits that much harder, and may as a result increase their cost of funds.

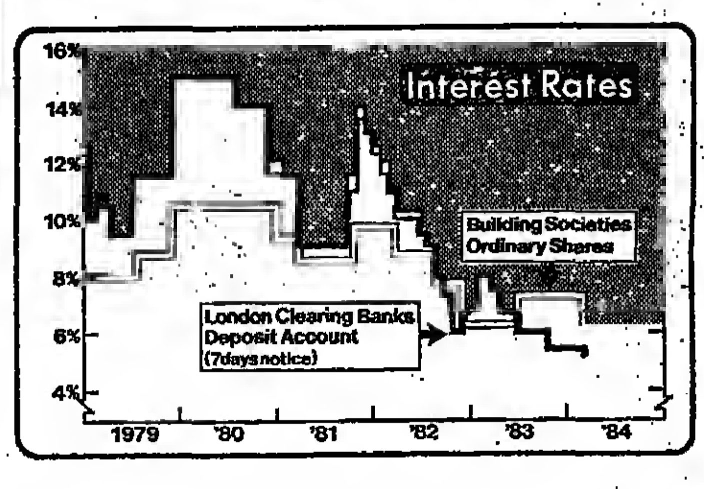
In general, the companies which should do well out of the tax changes are those which make a lot of profits in the UK and which are not capital intensive in terms either of plant or of stocks. Obvious examples include insurance brokers and food retailers, and their shares shot ahead on Wednesday.

Taken as a whole, the mood of equity analysts after the Budget seems confident although not euphoric. Share prices have, after all, come a long way already in the past few years.

Firms like James Capel and Grieveson Grant are projecting index gains of 8 per cent or more by the year end—which would be nice, but would not exactly set the Thames on fire.

DEPOSIT ACCOUNTS

Spur and burden for the banks



HOWLS OF PROTEST from banks and consumers alike greeted the Chancellor's decision to bring banks into the composite rate scheme because, as one might suspect, the only big winner is the taxman.

Starting in April 1985 banks will have to lop off part of the interest they pay depositors and hand it in to the Inland Revenue, just like the building societies. Banks hate it, because it lands them with a lot of the Revenue's donkey work (and they will be gunning for some kind of compensation). It also means they will have to advertise their deposit rates after tax. At yesterday's levels, this means a measly 3.75 per cent, or thereabouts, for seven-day money.

The consumer lobby hates it because non-taxpayers (who are usually rather unsophisticated financially, being either old or very young) can't claim back the lopped off portion from the tax man. About 3m of their customers fall into this category, and if they have any sense they should switch to forms of savings that pay interest gross, like National Savings.

The rate will apply to the deposits of all individuals who are UK residents. Foreigners and companies will be exempted (which is not the case with the building societies). Large time deposits of £50,000 or more will also be exempt; foreign currency deposits will be drawn into the scheme a year later.

But if you are a taxpayer, all is not lost.

The key point that still has to be settled is just what the composite tax rate will be. Like the building societies, it will almost certainly be lower than the basic income tax rate of 30 per cent (their's is 25 per cent this year). This is because the rate averages out the tax liability of all depositors, whether they are taxpayers or not. For the banks, the rate will probably be higher than it is for the building societies—because banks have fewer non-taxpaying customers.

If, for argument's sake, the rate turns out to be 27 per cent, the taxpayer would get a 3 per cent tax advantage by keeping his money in the bank. But this may not be enough to attract him to the somewhat stingy deposit rates which banks usually pay. The advantage is that the basic rate taxpayer will know that the interest is all his: there will be no more tax to pay. The higher rate taxpayer will still have to settle up with the taxman.

The switch to composite rate may force the banks to make their deposits more attractive. Locked as they are in battle with the societies for savings, they have already been forced to introduce high interest accounts, and they are constantly experimenting with new products. Their decision to cut deposit rates this week by only ¼ of 1 per cent, when they cut base rate by ½, shows how worried they are.

So prepare yourself for a massive advertising blitz as D-Day draws near. The banks are certain to offer special schemes to lure in—and keep—depositors, and some could provide opportunities to lock in good long-term rates.

The switch may also postpone the day when banks pay interest on current accounts, and set their charges at what it really costs to supply bank services. Why should they push more of their business into the composite rate tax net? Tax experts have long argued that the present system where banks pay low or nil interest and compensate their customers by giving subsidised services favours the taxpayer: he gets his interest in kind, which is not taxed.

David Lascelles

INSURANCE

Whatever the cost, life goes on...

ERIC SHORT on the companies' reactions after the withdrawing of premium relief

GENERATIONS OF agents have sold life assurance policies as savings contracts, largely on the strength of the tax credit from the Inland Revenue.

The mere mention of Life Assurance Premium Relief, known as LAPR, was often enough to win over investors from the likes of National Savings, building societies and unit trusts.

A whole raft of financial planning schemes has been developed around regular premium life contracts — both traditional and unit-linked.

So you might think that the Chancellor's announcement in the Budget that after 130 years of continuous existence he was withdrawing LAPR forthwith would have caused considerable consternation among life companies and life assurance salesmen.

Instead there has been a stream of statements from life companies, in a Churchillian vein: life assurance will go on, and the withdrawal of LAPR has not lessened people's need for life assurance, they pronounce.

This is not just whistling in the dark. LAPR, in terms of the yield given by life contract savings, was just the icing on the cake. The prime tax advantage in regular premium life contracts remains unchanged—which is that the benefits after 10 years (7½ years on some policies) are paid free of all taxes.

This point is illustrated in the table, which looks at the effect on with-profits contracts. This type of life contract has been chosen because it is more susceptible to calculation than unit-linked, not because it necessarily offers a better deal.

It shows estimated maturity values for contracts issued by Clerical, Medical and General Life Assurance Society—one of the leading traditional life companies.

Loss of LAPR has cut back on the expected yields, allowing for terminal bonus, by one to three percentage points, the largest cut being for the shortest duration contracts. The effect of LAPR was diluted the longer the term of the contract.

However, the yields without LAPR still outperform those on National Savings and building society savings, though a thorough investigation giving companies against *all common* alternatives would require a *great deal of space, comparison* with unit trusts is discussed in another article.

The table also shows maturity values excluding terminal bonus, since these are somewhat volatile and subject to change with market conditions, whereas reversionary bonuses are secure once declared.

Even without terminal bonuses, with-profits yields compare favourably with investment returns from National Savings and buildings societies. And the market conditions lead to a cut in terminal bonuses would almost certainly result in rates on National Savings and building societies being reduced.

Above all, the table shows the effect of the tax free benefit payments, which become progressively more valuable as the investor's tax rate rises. Life salesmen are now going to have to explain this advantage, a subject that has not received the prominent it should, mainly because until recently life companies would not provide yields in their quotations.

The likely effects on several important types of financial plans are now considered.

School Fee Plans

Most school fee plans are for short duration, since many parents will not or cannot start planning when their children are at an early age. But where fees are needed at least six years hence, many school fee planners, such as School Fees Insurance Agency, made use of endowments.

Since many of the clients seeking school fee planning are *higher rate taxpayers*, endowment assurances still offer better returns than other forms.

David Chinn of SFIA claims that he never used LAPR as a major selling point. The savings made by using endowments can still be attractive, even though they will cost more.

Some school fee planners were starting to make use of the new wave tax exempt Friendly Societies in their planning. But the Chancellor's actionst these has probably stopped this move.

Maximum Investment Plans

Although these are based on unit-linked life contracts, rather than with-profits schemes, the cut in yield due to loss of LAPR is likely to be about the same order of magnitude. Since these plans are aimed at the higher rate taxpayer, there is still nothing comparable to replace them, not even direct investment in shares—one claimed reason put forward by the Chancellor for ending LAPR.

But one can see certain life companies making Maximum Investment *Plans more* amenable to investment management by individual investors or their appointed agents, similar to self-investment in single premium bonds.

Single Premium Plans

These are not directly affected by removal of LAPR, since they do not qualify for the relief. But life companies have designed various types of combination of product using single and regular premium contracts in order to give lump sum investors the tax benefits of regular premium contracts.

The usual type of scheme took in a single premium bond which was used as a feeder policy for premiums into a regular premium contract. Again the main advantage of this arrangement was that after 10 years, benefits could be taken tax free.

Some traditional life companies used these back-to-back arrangements to offer guaranteed income plans over 10 years. United Kingdom Provident was one such company.

Derek Flint, its marketing director, claims that the loss of LAPR has only a marginal effect.

For a 55-year-old investor the income net of basic rate tax drops from *10 per cent to 9 per cent* still better than is available from a building society.

The Chancellor also cited past misuse of LAPR in tax avoidance plans as another reason for ending LAPR. In fact most plans used the tax-free benefit rather than LAPR—certainly this was the main aim of the latest Maximum Investment Bond from Skandia Life, described a few weeks ago. The Chancellor has taken specific action to stop this plan in his Budget.

Tax rate	National Savings Bank: net returns Yield	Building-Society open-ended rates Yield
%	%	%
nil	11.00	8.25
30	7.70	8.25
40	6.60	7.07
45	6.05	6.48
50	5.50	5.89
55	4.95	5.30
60	4.40	4.71

THE EFFECT OF THE LOSS OF LAPR ON ENDOWMENT SAVINGS PLANS WITH PROFIT ENDOWMENT ASSURANCE, MAN AGED 30 PAYING £20 A MONTH

ESTIMATED MATURITY VALUES

Investment period	With LAPR (incl term bonus) value £	net yield %	Without LAPR (incl term bonus) value £	net yield %	(excl term bonus) value £	net yield %
10 years	5,291	15.1	4,479	12.0	3,538	7.5
15 years	11,148	13.8	9,436	11.9	6,948	8.3
20 years	18,971	12.3	16,057	10.9	11,221	7.8
25 years	29,829	11.2	25,259	10.1	16,966	7.5

Source: Clerical, Medical

Who has the edge?

THE CHANCELLOR'S reforming zeal for fiscal neutrality did not extend to unit trusts. The result is that they now appear in a more favourable position in comparison with some other key savings media.

On paper, the withdrawal of Life Assurance Premium Relief now means that unit trusts and unit-linked life assurance are roughly on a par for regular savings plans.

However, the different incidences of Capital Gains Tax and the higher tax liability on unit trust distributions means that whereas for the basic rate *taxpayer unit trusts* are better vehicles for regular savings, for higher rate taxpayers linked-life assurance still has the edge.

The basic rate taxpayer can use Capital Gains Tax exemption (£5,600 in 1984/85) to reduce or eliminate the liability by careful timing of any sale. But the CGT liability cannot be avoided by investing in unit-linked life assurance.

The effect of loss of LAPR is shown in the table by comparing the performance of a regular savings unit trust scheme and the linked-life savings plan from the M and G group. In both cases, your money will be invested in the *same units, so differences are* due solely to tax treatment and charges.

For these particular trusts the regular savings plan has outperformed the linked-life plan even allowing for LAPR. But it must be remembered that profits from the savings plan are subject to CGT.

Even so, why have unit trust savings schemes not been popular? Until now the unit trust groups have offered them as a service to unitholders, but have *kept a low profile*. The charges are small so the unit trust groups make little or no profit on sales, while there is no incentive for intermediaries to *promote them* because there is no commission.

If *unit* trust groups are to give serious consideration to marketing regular savings plans, they will need to incorporate some more effective form of charging structure and introduce some kind of contractual payments plan.

Life assurance salesmen are *looking* to pensions rather than unit trusts to replace any lost life assurance sales. The Government has committed itself to leaving pension tax concessions unchanged, at least for the coming financial year.

E.S.

Comparison of Returns in regular savings unit trust and unit-linked life *plans over past 10 years to date, monthly premium £20.*

	Cash-in value M & G General £	M & G Recovery £
Savings plans	*6,484 subject to CGT*	*9,258 subject to CGT*
Linked-life with LAPR	6,284 tax-free	8,412 tax-free
without LAPR	5,341 tax-free	7,150 tax-free

ENDOWMENT MORTGAGES

What the taxman giveth, the taxman taketh away

MARGARET HUGHES examines why endowment mortgages became so popular after last year's Budget and whether their popularity will still be deserved after this.

THE WITHDRAWAL of tax relief on life assurance premiums (LAPR) announced in this week's Budget means that endowment mortgages will cost more.

Until the budget the premiums on these mortgages were eligible for tax relief at half the basic rate—15 per cent since 1981, when the basic rate was reduced to 30 per cent.

For a basic rate taxpayer aged 30 next birthday, with a £25,000 mortgage repayable over 25 years, the monthly repayment on an endowment mortgage will now cost £6.30 more—or £12.12 more than the monthly cost of a straight repayment mortgage.

Endowment mortgages are big business for both building societies and life assurance companies, accounting for 66 per cent of all mortgages. Both types of institution are busily reviewing their schemes to assess whether adjustments need to be made in order to compensate for the increased cost.

Building societies derive a two-fold benefit from endowment mortgages. Firstly, they charge a higher rate of interest—usually ½ per cent more than what they charge on a normal repayment mortgage. The extra charge is necessary, they claim, because they receive no capital repayments until the end of the mortgage period. This reduces the amount of funds available for relending. Secondly, societies earn commission on endowment mortgages, an increasingly important source of income to them. Last year, for example, they earned collectively some £150m in commission from life companies.

For the major life offices, endowment mortgages represent a large proportion of their business. Norwich Union, which claims to be the largest in the field, received £54m of premium income from endowment mortgages last year.

Under a normal repayment mortgage the borrower's monthly repayments to the building society cover both the interest payments eligible for tax relief and part repayment of the capital borrowed. In the case of an endowment mortgage the borrower's monthly repayment to the building society covers the interest element only.

The capital is not repaid until the end of the mortgage term, when it is paid in a lump sum from the proceeds of a life assurance policy for which the borrower pays a monthly premium. Should the policy holder die before the end of the term the mortgage loan is paid off automatically from the policy.

The proceeds from the life assurance policy are sufficient to repay the mortgage capital and provide an extra tax-free lump sum.

In the case of a £20,000 mortgage taken out over a 25 year period by someone who is 30 on his next birthday this additional sum is expected to amount to around £15,000.

When endowment mortgages were first introduced, they were designed solely to provide sufficient funds to cover the cost of repaying the mortgage loan—in other words, they were non profit endowment mortgages. But since the tax relief was applied to the whole of the premium, regardless of whether or not it covered the risk of dying, life assurance and endowment mortgages have been used increasingly as a tax effective savings vehicle.

As a result the bulk of premiums paid by the policyholder are now invested on his behalf by the life company in a mixture of property, equities and gilts.

The income from these investments is credited to the policyholder in the form of annual bonuses and there is a terminal bonus when the policy matures.

The premiums on such life assurance policies are, however, expensive and compare unfavourably with the monthly payments on a straight repayment mortgage. To overcome this problem low cost endowment policies were introduced in 1970 and now account for the majority of endowment mortgages.

Monthly cost of a £25,000 mortgage over 25 years for house buyers aged 30 next birthday.

	Repayment mortgage	Endowment mortgage Pre budget	Post budget
	£	£	£
Basic rate tax payer	192.08	198.72	204.20
50% tax payer	146.21	150.68	156.01

The premiums on these policies are substantially lower. This is because the actual sum assured is far less than the size of the mortgage, a trick which is achieved by making allowances for the annual bonuses which the policyholder can expect to receive.

In calculating the sums assured necessary to cover the mortgage capital it is assumed that future annual bonuses will be at least 80 per cent of the life assurance company's last declared bonus.

Until 1978 endowment mortgages accounted for only 20 per cent of all mortgages but as interest rates fell their share gradually increased to some 40 per cent by the end of 1982. When interest rates fall the gap between the monthly cost of an endowment mortgage and that of a repayment mortgage narrows.

Since the introduction of MIRAS (mortgage interest relief at source) at the beginning of the last financial year endowment mortgages increased markedly in popularity. This was because the gap between the initial monthly cost and that on repayment mortgages narrowed.

Life assurance companies and building societies argue that endowment mortgages remain an attractive option in that they guarantee that the mortgage is paid off in the event of the policyholder's death and provide a tax-free cash bonus at the end.

They estimate that the removal of LAPR amounts to a reduction in yield of only 1 per cent over 25 years and still provides a net yield of 10 per cent. For the higher bracket tax payer, who in any case benefits most from mortgage tax relief, the advantages of this yield are all the greater as it is tax free.

Nonetheless both societies and life assurance companies concede that adjustments may have to be made to endowment mortgage schemes to retain their market share.

These include an increase in the allowance made for future annual bonuses from the present level of 80 per cent which most societies now require. This would have the effect of reducing the level of sum assured and hence the monthly premiums.

Another alternative would be for societies to reduce or eliminate altogether the differential they charge on endowment mortgages. And some life offices are reviewing their premium levels.

It is also possible that lower premiums may be charged in return for a smaller terminal bonus, which often accounts for as much as 40 per cent of the total sum paid out when the policy matures.

Those who already have endowment mortgages are not affected by the budget changes until they move house. In the past they have had the choice of either being able to increase the sum assured where they took out a larger mortgage, for which they paid a higher premium or extend the term of the policy without affecting their bonuses.

Now, however, a separate policy to cover the increased mortgage amount will have to be taken out and the premiums on this new policy will not be eligible for tax relief.

It is also not clear whether those endowment mortgages taken out in the week or two before the Budget will still be eligible for LAPR. The Life Offices Association is seeking clarification from the Government on this.

A boost for wider ownership

TIM DICKSON explains how the new tax-favoured limits will apply

TWO changes announced this week significantly increase the opportunity for individuals to take up shares in the company which employs them. The measures not only add substance to the Government's vision of a capital-owning democracy but hold out the possibility of substantial profits for those able to take advantage of them.

The first concession is Mr Lawson's decision to increase the amount which directors and employees can invest in Save As You Earn linked share option schemes which have been approved by the Inland Revenue. The figure goes up from £50 to £100 a month.

SAYE linked share option schemes were introduced in 1980 but their appeal as a form of regular saving and means of employee share ownership (see below) is still not recognised by the vast majority of managers and employees in British industry. Despite being open to companies of all sizes, quoted or unquoted, only 285 businesses had received Inland Revenue approval by the end of last month.

A further 386 companies were running profit-sharing schemes, which were first introduced in 1978. These allow profits to be distributed in the form of shares worth up to 10 per cent of an employee's salary, subject to a ceiling of £5,000.

The major plank of this week's programme to widen share ownership is a new type of approved option scheme—to become effective from April 6—which could be particularly attractive for smaller companies.

At the moment about 1,000 British companies are believed to run their own non-savings related schemes but invariably they suffer from one major handicap. This is that any gain arising from the option is treated as a benefit in kind and taxed under Schedule E as income while under present legislation the tax actually has to be paid when the option is exercised (not, as you might expect, when the shares are subsequently sold).

Now the Government intends to draw up new rules to help employees who have been invited by their company to join such a scheme. The key feature will be that the whole gain (represented by the difference between the full costs of the shares under the option and the disposal proceeds) will be charged under the normal rules of capital gains tax when disposal of the shares takes place.

In order to qualify for exemption from income tax, companies will have to meet other conditions yet to be worked out. These will, for example, include, on the size of options granted, their duration and the frequency of their exercise.

Although many big companies will not doubt respond to this opportunity, venture capitalists and others have been lobbying for the change on behalf of the new breed of small, expanding businesses. Such firms often have difficulty attracting high calibre management but North American experience suggests that good share option packages can be a juicy bait.

Pressure seems likely to be exerted on Ministers from companies already operating share option schemes. But the Inland Revenue said the Government has already ruled out the possibility of including them in the new rules. "We do envisage, however, that a lot of companies will set up new schemes instead," it added.

A slice of the action for BATman

MORE THAN 2,700 employees of BAT Industries—about a tenth of the workforce—are poised to become shareholders of the company in the next few years. And if the group's currently buoyant share price performance continues, they should find themselves sitting on a tidy capital profit.

BAT was the first company to take advantage of the 1980 legislation on wider share ownership.

Under its rules:—

- Employees have to buy the shares out of the proceeds of an approved Save As You Earn contract (maximum monthly contribution to be raised to £100).
- The scheme must be available on "similar terms" at least to all UK employees over the age of 25 and with more than five years' service.
- Option cannot be exercised before the end of the SAYE contract—currently five years—except in the event of death, disability, retirement or redundancy.
- The option price cannot be less than 90 per cent of the market value of the shares at the time it is granted, and the shares cannot be subject to any special restrictions.

If you are not already in a scheme much will obviously depend on your company's willingness to sell its shares at a knockdown price. The ultimate benefit moreover, will also be tied to share price performance during the five year waiting period.

Employees should note, however, that they are in no way at risk under the scheme and that the return on approved SAYE contracts is equivalent at the moment to a tax free 8½ per cent. This is more generous than the current 26th issue of National Savings certificates and is thus particularly attractive to high rate taxpayers.

BAT employees have had four opportunities to join their company's scheme. The option price was fixed at 60.75p (adjusted) 1980, 80p in 1981, 128.25p in 1982 and 130.5p last year—all pretty attractive discounts compared to a current market price of around 200p.

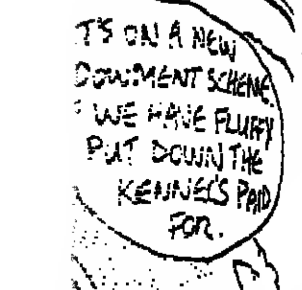
Tim Dickson

BUILDING SOCIETY RATES

	Share a/cs %	Sub'pn shares %	Others %	
Abbey National	7.25	8.25	8.25	7 days' notice. No interest penalty
			8.75	Higher Interest acc. 90 days' notice or charge
			6.00-7.50	Cheque Save
Aid to Thrift	8.50	—	—	
Alliance	7.25	8.25	8.25	Monthly Income—3 months' notice...
			8.50	28 days' notice. Imm. withdwl., 28 days' penalty,
			8.25	7 days' notice. No interest penalty
Anglia	7.25	8.25	8.75	3-year Bond. No notice. 3 months' penalty
			8.50	Capital Share. No notice 1 month's penalty
			8.25	7 day's notice. No interest penalty
Birmingham and Bridgwater	7.25	8.75	8.25	5 days' notice or 20 days' int. pen. £500 min.
			8.60	Guaranteed fixed rate. 12 months. £500 min.
Bradford and Bingley	7.25	8.25	8.50	1 month's notice or on demand
			8.25	7 days' notice
Britannia	7.25	8.25	8.25	7 days' notice, 8.50 2 months' notice
Cardiff	8.00	8.75	—	
	*8.50	—	—	*Share account balance £10,000 and over
Catholic	7.50	8.50	8.50	6-month deposits. Monthly income
Century (Edinburgh)	7.75	—	8.75	Variable. 8.85 Permanent 2/3 years
Chelsea	7.25	8.25	8.75	Immed. withdrawal (int. pen.) or 1 mth.'s not.
Cheltenham and Gloucester	7.25	8.25	8.25	Gold account £1,000 + no notice no penalties. Monthly interest. £5,500 minimum, 8.57 if compounded
Citizens Regency	7.50	9.00	8.40	plus account no penalty. Double option 8.50
City of London (The)	7.50	8.25	9.00	6 months' notice—no penalty
Derbyshire	7.25	8.50	9.00	8.25 1 month's not., 7.75-8.60 3 months' notice
Greenwich	7.25	8.50	8.50	(max.) at 28 days' notice/penalty
Guardian	7.50	—	8.75	3 months, £1,000 minimum
Halifax	7.25	8.25	8.25	Xtra Interest, 7 days' notice, no penalty
			8.50	Xtra Interest PLUS 28 days' notice, no penalty
			8.75	Special Inv. Cert., 3 months' notice/penalty
Heart of England	7.25	8.50	8.25	5-Day Notice Share Account
Hemel Hempstead	7.25	8.50	8.75	3 years, 8.50 28 days
Hendon	8.25	—	8.75	3 months
Lambeth	7.50	8.75	9.10	28 days plus loss of interest, 8.25 3 months
Leamington Spa	7.35	—	8.50	Top Ten. 8.75 Lion Share
Leeds and Holbeck	7.25	9.00	8.75	4 yrs., monthly int. 8.75 1 mth. notice or pen.
Leeds Permanent	7.25	8.25	8.50	Ex. Int. £500 min. 28 days' notice/penalty
Leicester	7.25	8.25	8.25	3 months. 9.02 compounded 3 years
London and Grosvenor	7.75	—	8.25	High Yield (1 month)
London Permanent	7.75	—	8.75	1-year term. Imm. wdl. with loss of 1% bonus
Midshires	7.25	8.75	8.75	3-yr. term with 0.5% bonus on mat'y if reinv'td
Mornington	8.50	8.50	—	Immediate withdrawals—no penalty
National Counties	†7.55	8.55	9.10	28 days' notice & loss of interest. † £1,000+
National and Provincial	7.25	8.25	8.50	1 month's notice or immediate and interest loss
Nationwide	7.25	8.25	8.75	Capital Bonds, 3 yrs., £500 min. wdl. with 90 days' loss or notice. Bonus account 8.25, £500 minimum withdwl. with 28 days' loss or notice
Newcastle	7.25	8.50	8.75	4 years, 8.25 28 days' notice, or on demand with penalty, 8.50 90 days' notice, or on demand with penalty
Northern Rock	7.25	8.50	8.25	7-Day Moneyspinner, 7 days' not. wdl. no pen.
			8.75	Premium Moneyspinner on demand, 28 days' loss of interest on amount wdn.
Norwich	7.25	8.50	8.50	City Account, immed. withdls. with no penalty
Paddington	7.75	9.25	8.75	1 mth.'s. not., or 1 mth.'s int. loss on sums wdn.
Peckham	8.00	—	8.50	7 days, 9.00 8 months
Portman	7.25	8.75	8.75	Two months' notice, 8.25 no notice
Portsmouth	7.55	9.05	9.40	5 years, 9.00 6 month, 8.50 1 month
Property Owners	7.75	9.00	8.75	28 days, 8.75 3 months, 8.50 monthly income
Scarborough	7.25	8.50	8.25	Money Care and Free Life Insurance
Skipton	7.25	8.50	8.25	£1,000-£4,999 Sovereign, no penalties, no notice
			8.50	£5,000+, no penalties, no notice
Stroud	7.25	8.50	8.85	3 months, 8.25 1 month no penalty with notice
Sussex County	7.25	9.00	8.25	7 day's notice, 8.50 Sx.Sh., 7.50 Sh. a/c £2,500+
Sussex Mutual	7.50	9.00	8.75	1 month's notice/immed. with 28 days' penalty
Thrift	8.15	—	9.15	3-year term. Other accounts available
Town and Country	7.25	8.25	8.75	3 yrs. ½-yrly. int. Monthly income wdl. facility
			8.50	7 day's notice no interest penalty. ½-yearly int.
Wessex	8.30	—	—	
Woolwich	7.25	8.25	8.25	7 days' notice
			8.50	28 days' notice or on demand (interest pen.)
Yorkshire	7.25	8.25	8.50	Diamond Key, 60 days' penalty or 2 months' notice without penalty

All these rates are after basic tax liability has been settled on behalf of the investor.

مكتبات الأصل



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'Y RATES

YOUR SAVINGS AND INVESTMENTS—5

INCOME TAX DEDUCTIONS

Long arm of the Revenue stretches further

TIM DICKSON looks at *Budget reactions from* a variety of experts

IT WAS once said that a permanent resident of Peru, working in Peru for a Peruvian employer, was not liable to UK income tax on his earnings.

This insight into the generosity of the UK income tax system has not been altered by *the Chancellor* in the 1984 Budget. But the rules governing less fortunate individuals, whose employment and residence cross national boundaries, have been altered to remove some attractive income tax reliefs.

The *first victims* are UK residents who work abroad. From now on, only an employee who works abroad for more than 365 days may continue to *claim an exemption from UK in*come tax on his earnings.

It makes no difference at all where he receives payment of his salary, whether it is in the UK, Jersey, or the overseas country where he is working, *and he may remit all or part of* his overseas earnings to the UK without incurring any income tax liability.

Similarly, anyone carrying on a trade or profession in the UK has been able to claim a deduction of 25 per cent of a proportion of his profits if he *spends* at least 30 days a year on business overseas. This too is to be reduced to 12½ per cent for 1984-85 and to nil from April 6, 1985.

These changes will affect a considerable number of businesses whose executives and staff travel extensively. It will also affect the employees of airlines and shipping companies.

The changes will, however, end the anomaly whereby a day abroad in fact meant spending the night abroad in order to qualify for the tax relief. Some improvement to late afternoon and evening flight schedules from major continental cities can be expected.

Secondly, foreign executives seconded to the UK are also to be hit. Since 1974, when the "unacceptable face of capitalism" led to the introduction of a special tax regime for such individuals, they have been liable to income tax on only one half of their earnings for their duties in the UK during their first nine years in the UK, and on three-quarters thereafter.

The individual must be living in a foreign country and must be employed in the UK by a non-resident employer.

Other employees who do not qualify under the 365-day rule but who work overseas for at least 30 days are not so fortunate. For such individuals, the present 25 per cent deduction from the earnings related to the overseas work is to be reduced to 12½ per cent for 1984-85 and reduced to *nil from April 6* next year.

In practice, these rules apply mainly to employees seconded to the UK from Canada and the *U.S., Japan and the Middle East* countries. Rather fewer employees transferred to the UK from other European countries are included.

The Chancellor now proposes to withdraw the 50 per cent and 25 per cent deductions progressively, and not to give any deduction at all for anyone who is not domiciled in the UK and who comes to work in the UK after March 13.

The only exception to this latter rule is where the individual arrives to start work before July 31 under an agreement already in existence on March 13.

For those already here, no deduction is to be allowed for 1984-85 and thereafter for anyone who has already been resident *for 9 out of the preced*ing 10 years.

For those who have arrived more recently the deduction will be reduced to 25 per cent from April 6, 1987 and withdrawn altogether from April 6 1989. No changes will however be made to PAYE codes until the Finance Bill is enacted, probably in August.

It seems that earnings from separate overseas employments of non-domiciled people, where all the duties are to be performed abroad, will continue to be taxed only if remitted to this country.

The *overall effect* of these changes must be to reduce the attractiveness of the UK and London in particular, as an overseas posting for a foreign executive.

This will have two consequences: local employment may benefit but other cities such as Brussels which have a better tax regime for expatriate executives will attract banking and headquarters offices.

There is no doubt that it will now cost materially more in terms of salary and benefits to inspire an overseas executive to transfer to London.

FINANCIAL PLANNING

What the specialists think

JOHN UNDERHILL looks at how the changes in the Budget affect UK citizens abroad and foreigners working here

BUDGET statements always keep financial planners on their toes, and this year's was no exception. The abolition of the investment income surcharge, the removal of life assurance premium relief (LAPR) and the now traditional tinkering with capital taxes are all changes which could alter the *strategy of savers and* investors.

Reactions from a handful of experts suggest that individuals should seriously weigh up the long term implications of the ending of the investment income surcharge. Being a 15 per cent levy on unearned income above £7,100 its much celebrated demise means that the biggest tax rate on any income falls from 75 per cent to 60 per cent, significantly narrowing *the* differential with *more* lightly taxed capital gains. It is the unanimous view of advisers that income producing assets could swing back slowly into fashion.

Tony Richards, private *client partner at stockbrokers* Quilter Goodison, naturally welcomed the halving of stamp duty and pointed out that the cost of a "weekend break" (successor to "bed and breakfasting" as a financial year-end tax dodge) will be that much cheaper.

"Weekend break" is when an individual sells shares on the last Friday of a Stock Exchange account and buys them again on the first Moday of a new one, thereby realising a capital gain or a capital loss.

Richards also pointed out that lower stamp duty should encourage unit trusts to reduce their bid to offer "spreads."

Michael Koppel, at accountants Spicer and Pegler, highlighted the more generous tax treatment of investors *buying* corporate bonds. Sales of certain Government securities, such as Treasury stocks, have long been exempt from capital gains tax if held for more than 12 months. This privilege has now been extended to company debentures, loan stock or bonds issued after March 13.

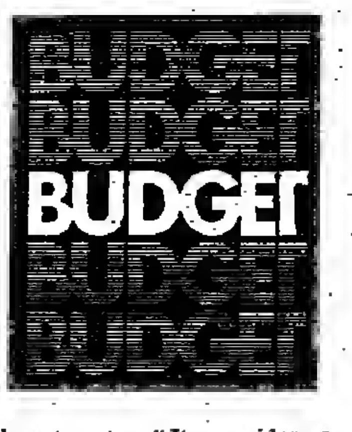
Koppel also had a tip for investors who let furnished holiday accommodation. By announcing that income from such *activities would be treated as* earned even when the business does not qualify as a trade, Mr Lawson appeared—in view of the disappearance of the In*vestment Income* Surcharge—to be wasting his breath. But Koppel points out that if the property is put into the wife's name, a couple's tax bill could *be reduced if she elects for* separate taxation (separate taxation, or the wife's earnings *election, is only possible on* earned income).

He also suggested that the lower rates of Capital Transfer Tax on lifetime gifts should encourage transfers by those who accepted that some CTT was inevitable.

John Rayer, a partner with accountants Robson Rhodes, thinks the Government could soon replace with 26th issue of National Savings certificates with something less generous (the current return is equivalent to a tax free annual yield of 8.25 per cent). He thus advises clients to top up quickly with the maximum permitted £5,000.

PROPERTY

Putting his stamp on the market



AS FAR as the housing market is concerned the biggest impact of the Budget has been the cutting of stamp duty to more manageable proportions.

The levy, which is being cut in half to 1 per cent has been universally resented. The Chancellor referred to it as "an impediment to mobility," and others have expressed stronger sentiments, calling it a buyer's premium for which there is no reward.

With interest rates dropping, the reformation of solicitors' charges on the horizon, and the thresholds for paying stamp duty raised from £25,000 to £30,000, the incentives for house buyers to take the plunge are increasing is loud and clear — buy a house now before prices increase.

The message is: buy a house before the price increases. "The alleviation of duty will give a significant boost to both ends of the market," claims David Mitchell of Savills' residential department. "It provides a knock-on effect at all price levels."

Ann Croft, who heads Mays, with seven offices throughout Surrey, calls the new rate of charges a saving grace for both first-home and middle range buyers. Mays' big problem is a shortage of places for sale in the £45,000 level.

Nicholas Underhill of Hampton and Sons' Hampstead office says that the effect of the concession is already filtering through all sectors of the market.

"People have tended to hold off buying and selling over the last month. Now there is movement even in the most difficult range—the professional couple who want a house in the £75,000-plus bracket but are having to squeeze nearer to £100,000 because they cannot find what they want. For them it is a conscious effort to cope with all the extras on top of the heavier than originally budgeted for purchase price and mortgage. The saving of £1,000 is a significant factor."

Even those in the higher bracket are being spurred into action adds Underhill. Immediately after the Budget he telephoned a purchaser who had been dragging his feet on a £3m deal for a whole block of flats. "We had been arguing over an amount of £30,000 for buying out a tenant. The savings of £30,000 duty clinched the deal," he says.

Then there was the vendor who had somewhat reluctantly, agreed to accept a lower offer on his home the day before the Budget. "It was a bit cheeky, but he suggested that the purchaser split the saving of the duty with him."

On the new home front, the stamp duty cut will not only help first time buyers, says Christopher Price, marketing director of Ideal Homes. "It is a bonus for elderly people too. We find that many of our small, one bedroom terraced homes are being bought by those who have retired. They like the idea of a house rather than a flat, and feel more part of a community with young people around."

One thought is that those volume builders who offer to pay your stamp duty whether you are a first-time buyer or not, might reduce their prices.

Expecting good sales of their new studio apartments at Roehampton, Surrey this week-end are Bellway Homes (South East). On offer from £28,250 they now escape the stamp duty net altogether. Sales manager Trevor Sawyer says he is confident that they could be in for a bumper season.

His only worry is that with the loss of insurance premium relief, endowment mortgages could look less attractive for a time. "For a new 95 per cent low cost endowment mortgage on say £30,000, the loss could mean an extra £5.84 a month. But even a small cut in the mortgage would more than make up for it."

The loss of stock relief could have an effect on "trade-ins" where a builder takes in your old home for part exchange on a new one.

Ideal Homes concedes that the change might tend to cause it to make a low offer, but the company never went in for large stocks of second-hand homes anyway. "We try and clear them out as soon as possible and currently only have 13 homes in hand that are actually costing us money," it says.

As for the VAT extension it has always seemed an anomaly that essential repairs and maintenance should have been penalised by the imposition of VAT, while alterations and extensions which could increase the capial value of a property went scot free.

Understandably, there are those who would have preferred VAT swept away on the lot. "It is no encouragement to keep one's house in order," mourned one disgruntled home owner. And the stately homes and historic buildings lobby will surely be vociferous in condemnation of the new tax if no special treatment is given to them.

Certainly developers of old buildings bought for conversion into flats are distressed over the extra cost. "It means that I am going to have to reappraise any offers made on unmodernised property, and recalculate building costs," commented Richard Collins of Fremantle Properties, which is concerned with quality London restorations.

Most estate agents hop that the extra costs of renovation could mean more homes being released onto the market by people who want to move, rather than improve.

Quiet down on the quay

BY THE lobster pots on the quay at Lymington, Hampshire, where the beer barges used to come over from the Isle of Wight to the Ship Inn, a mainly derelict half acre site sold the other week for £318,000.

Auctioneer Paul Jackson called it "a site in a million in this Mecca for yachtsmen." From the opening bid of £150,000 in a crowded room at the Chewton Glen Hotel, Highcliffe, he coaxed the figure up to what is said to be a record price for a waterside plot in the south of England. (There is planning permission for 10 homes designed by architects Derek Lovejoy and Partners, which it is hoped could be extended to 15 properties, to sell in the region of £75,000 each).

The freehold site, sold on behalf of Whitbread, was knocked down to local developers Coope Durrant, whose current Lymington project is Old Orchards, where houses are selling from around £75,000 to £95,000.

The company builds on Majorca, too, and operates a "buy-back" agreement on all its properties; or you can have an option to transfer to another property in the UK or Spain: (Details from David Durrant, chairman, Coope Durrant, 18 Church Lane, Christchurch, Dorset).

It was no surprise to Paul Jackson, with his strategically placed estate office Jackson and Jackson in The House on the Quay, Lymington (now open on Sundays 10-4.30), that the auction reached the amount it did.

"We received over 800 inquiries, and also there has been a noticeable increase recently for places overlooking or close to the waterfront. Such properties tend to be of good size, with a good garden, and have a bit of character."

On offer at the moment is Lono Bars, a four-bedroom, three-bathroom house in an acre overlooking the Solent to the Isle of Wight. With an indoor heated swimming pool it is £225,000. And Beckley Cottage in Lymington is a five bedroom, two bathroom property also overlooking the river, £87,500.

Or what about a floating 128 ft long, 16 ft wide river barge run as a restaurant at Bridge Yard, just beyond the Old Quay? Built in Holland in 1931, it was sailed across the Channel into Lymington in 1979.

It is for sale at £75,000 including renewal of the mooring agreement. Turnover to July last year was £49,000 on seating for 60.

Riverside homes command a premium in most areas. During the last two years Cluttons of Grosvenor Street, London, W1, have sold Cedar House, Orford House and two adjoining houses in Hammersmith Terrace.

Just sold is the 19th century Field House, Chiswick Mall, W4, on offers in excess of £500,000. (The artist's studio at the top has spectacular views across to the swan sanctuary at Chiswick Eyot.)

"These sales at substantial sums indicate that there are many buyers who want to live on this attractive stretch of the river over which you can see the Oxford and Cambridge Boat Race today," Cluttons' Robert Robinson, says.

"The problem is that there is a shortage of similar properties for sale. Everyone in this area is waiting for the fine weather before committing themselves to any marketing."

Nicholas Sherston of Jackson-Stops and Staff's Fulham office is expecting considerable interest in 41, Strand-on-the-Green, which came on the market last week. The four-bedroomed, two-bathroomed house is one of six built in 1975 on the site of an old boatyard close to the site of the City Barge pub, opposite Olivers Eyot.

The price is £165,000 for a 118-year lease, which includes a garage. The main attractions are the sun-room, with its terrace overlooking the water, and sitting-room whose stable doors open on to a tiny patio with steps down to the towpath and the river.

And close to the house are moorings and a tidal dock where various small craft are inspected for repairs.

Anyone looking for a worthwhile investment besides the water in the West Country, might consider Admirals Quay, Bridgwater, prosperous market town some 33 miles from Bristol.

The former Bridgwater Dock, right in the town itself and designated a conservation area by Somerset Council, is being transformed into a hand-some 160-boat marina; while a warehouse has been converted into apartments, a restaurant and yacht chandlers.

The dock, built in 1841 by local engineer Thomas Maddicks, is a "floating" harbour, retaining a consistent level of water behind the lock gates to the tidal River Parrett. (It is similar to the system at Bristol designed a few years earlier by Brunel.)

By 1873, Bridgwater was fifth among the English ports for the importation of coal and culm (coal in small pieces). But trade declined, and by 1969 the docks were finally closed to shipping.

The first apartments and town houses built at Admirals Quay by Algrey Homes of Horsham, Sussex, a member of Dominion International Group, are sold and occupied.

Admirals Quay, Bridgwater, Somerset, where apartments, town houses and retirement flats and cottages have been built on the old dock. The retirement homes, to be released next month, will cost from £24,000. Details Roger Horton, New Horizon Homes, 1a South Street, Horsham, Sussex (0403 51941).

TRAVEL

God and Mammon mixture

BY ARTHUR SANDLES

THE REAL REASON for the Irish not having some sort of highly sophisticated anti-nuclear warning system is that St Patrick long ago made a separate arrangement with superior authorities.

The good Saint, although then only ranking the status of missionary, was in the midst of a Lenten fast when a passing Angel stopped for a chat. The Irish, the Angel promised, would be given a seven-year warning of the end of the world, something of an improvement on the four minutes the rest of us *might* have to prepare ourselves.

That particular story is dismissed as "legend" by the Irish authorities but the facts of the saint's life *seem equally* uncertain and, where known, almost as bizarre. Originally named Succat he was actually born in Wales around 389 AD, give or take half a century.

At the age of 16 he was captured by raiding Irish pirates and sold into slavery. Escaping eventually and returning to Wales he felt the call to go back to Ireland, but as a missionary.

He prepared himself with an educational trip to France, learning Latin and more of Christianity at a monastery near Auxerrex. Then, complete with the new name Patricius (noble) and title of bishop he arrived in Ireland around 432 AD.

At least we can thank Heaven, and possibly St Patrick, that the Irish national drink should be of such a colour that it cannot be dyed green in the manner that New York barmen do with their local brews on this celebration weekend.

Patrick's contribution to European civilisation was considerable. His organisation of the Church in Ireland through a system of monastic centres resulted in this rural supposed backwater being a haven for *western culture* while the rest of Europe was suffering in the gloom and violence of the Dark Ages.

Today the Book of Kells, *kept at Trinity College*, Dublin, stands as the most brilliant example of remarkable period of the preservation of knowledge and thought in the Irish *monasteries*.

But Ireland was not to be isolated from the politics and ambitions of its neighbours for ever. First the Vikings, then the French and after them the English turned their attention to the verdant pastures. From round towers which served as observation points against Norse invaders to Trinity College, founded by Elizabeth I and for centuries a Protestants-only institution, the marks of the visits remain.

The new wave of invasion which many in Ireland would like to see is tourists, for these would bring money and employment to the rural areas in *particular*.

Two factors have combined to curb visitors' enthusiasm for the joys of Ireland. The Ulster troubles and the alarming cost of touristic living, in spite of the advantageous exchange rates which spenders of pounds, dollars and marks get against the punt.

There is very little that the Irish government can do about the *first*, but there have been some moves regarding the second. VAT on theatre tickets has been cut from 23 per cent to 5 per cent, and VAT rates on car rental, cruiser hire and caravan holidays have also been reduced.

As from March 1 tourists have been able to claim a refund on VAT paid in Irish shops (although I suspect this brings presents into the theoretical realm of the UK customs man as if they had bought in a duty free shop).

The main financial hurt of touring Ireland is eating out. The nation does not seem to boast a *good* range of £3-£8 lunching places, you either spend a great deal more to eat well or snatch a beer and an indifferent sandwich.

If you are fortunate, and in the west, you will come across places which will serve you a good plate of smoked salmon and some really excellent oysters, but you will have to hunt around for them. Often it is better to picnic.

It is still the best of Ireland that rightly calls most visitors. The small towns and little farming communities are strikingly French in their physical appearance—the mood of rural life in the two countries are similar in many ways.

There is pride, there is introspection but there is also a warming friendliness and welcoming to the visitor.

The scenery, by any standards, is both spectacular (the Cliffs of Moher, Clare, and the Giant's Causeway Antrim (NI)) and soothing.

The weather can be troublesome, even if it does not live up to the English slur that in Ireland it rains for nine months of the year and drips off the trees for *the other three*. *April* is the driest month, except in Kerry, where with predictable perversity it is June.

There is little point in discussing the particulars of Ireland, for it is the mood that one goes for. In all the years and all the visits I have made I have yet to be able to define what it is that makes it such a pleasant place to be.

The cost, the food, the weather . . . they are all negatives, but they all fade against the delight of being there.

Somehow you end up in the back of some bar, after closing time, knocking back Guinness and Cork gin, a concoction which tastes well enough but always reminds me of the consistency of the cod liver oil which was once supposed to transform me into muscular manhood.

Somehow you do stumble across that supposedly mythical "Irish" behaviour—once on asking the way I was assured solemnly that I was "starting from the wrong place, sur."

My own favourite researching point for fathoming the appeal of Ireland remains the Galway Oyster festival, to be followed by a visit to Lisdoonvarna, a community set beside that strange moonlike land of the Burren in Co Clare.

Lisdoonvarna in the early autumn is a centre for matchmaking, where the farming unmarrieds of the west come to find their mates. Over the years this gathering attended by huge numbers of people, has expanded with an influx of folk musicians and story tellers, the like of which you rarely see in the highly stage-managed special evenings of the Dublin hotels.

Doubtless it will be a fruitless task yet again. The charm will be there, but the reason unfathomable. So we'll just have to raise our glasses once more to St Patrick, with the toast:

St Patrick was a gentleman
who through strategy and stealth,
Drove all the snakes from Ireland—here's toasting to his health.
But not too many toastings, lest you lose yourself and then,
Forget the good St Patrick and see all those snakes again.

Enjoying Dublin Bay oysters and Guinness at the Bailey restaurant, Duke Street, Dublin

Rape and pillage return to York

Who ate mounds of bran, endured intestinal worms, suffered permanent stomach ache through a diet dominated by weed-poisoned grain and lived in an unbelievably messy environment penetrated by nauseating smells? The answer is the Vikings who settled in York for a period of 80 years from the middle of the ninth century and from where they ruled Northumbria until they were violently driven out and their King Erik Bloodaxe slain.

The Vikings however are back. From next month modern man will have the opportunity of taking a worm's eye view of the habits, lifestyle and surprisingly advanced craft skills of this most feared of ancestors through a unique recreation of a Viking settlement duplicating a street unearthed during a 5½ year archaeological dig in York's Coppergate area.

The Jorvik Viking Centre, named after the Norse name for the town and created at a cost of £2.5m incorporates not only the wattle and daub and split plank homes and workshops of the street but it sounds and smells too.

The King of Norway and the Queen of Denmark are both patrons of the York Archaeological Trust and squads of Scandinavian journalists are flying over to record the trust's activities and the return of Viking life.

As visitors travel through the centre on slow moving electric powered cars they will pass alongside 25 life-sized sculpted figures carrying out conversations in old Norse on a 64 channel sound track. One man shouts to his deaf wife that he has been left a hangover from a hard day's drinking. Someone else tries to sell a shoe to a man complaining about boils on his feet. The sound of hammering during the process of coin striking permeates the air and the group of girls chant a riddle.

To get the correct effect villagers and children from north Yorkshire were coached for six months in old Norse by Professor Christine Fell of Nottingham University.

Most visitors though are likely to be struck as much as anything by the odours which emanate from specially prepared lozenges of resin impregnated with chemicals and burning *in metal containers*.

Some of the smells are quite nice like the apples and leather curing but the fishy aroma of the two boats on the bank of the recreated Foss River are less pleasant. That *is nothing* however in comparison with the smell which hits unsuspecting visitors when they are confronted by a man squatting in a communal open toilet, opposite a pig grunting in a pen and alongside a rubbish tip and a dog cocking its leg.

The centre also explodes some of the myths surrounding the Vikings. They did not wear horned helmets for example and while being pretty barbarous even for those days they had time in between the rape and pillage to settle, intermarry with the indigenous population and carry on their own skills.

They made metal objects of great complexity like box padlocks opened with a key slide, practised needle weaving and made storage jars and smaller utensils that modern potters have found tricky to copy.

Some of these artefacts, including a pole-lathe made by a researcher into the *craft of* wood turning have been recreated but many of the actual artefacts discovered within Coppergate's nine metres of debris are also on display.

That people do need some education on the Vikings is underlined by a dispiriting lack of knowledge already displayed by parties visiting the site. "Even some school teachers don't seem to know that they came after the Romans, not before," says Gillian Pearson of the trust.

Nick Garnet

Model of a jeweller displaying his wares of silver and bronze broaches, pins and buckles.

BOOKS

Joyce and Co.

BY PETER QUENNELL

Sylvia Beach and The Lost Generation: A History of Literary Paris in the Twenties and Thirties
by Noel Riley Fitch. Souvenir Press, £14.95, 447 pages

In the annals of modern creative writing two heroic handmaidens, Sylvia Beach and Harriet Weaver, deserve to be particularly remembered. They were not creative themselves; but they protected, assisted and generally encouraged an eccentric Irish novelist, a somewhat difficult and at times ungrateful character, of whose genius each felt passionately sure. For many years Harriet Weaver, a quiet, modestly affluent Englishwoman, subsidised James Joyce and his entire family; while Sylvia Beach, a hard-working young American bookseller established on the Parisian Left Bank, besides befriending and entertaining him, did her best to manage his affairs. She also supplied him with petty cash; and should he pass her shop when she was temporarily absent, he could always borrow from the till.

Her task was, no doubt, the easier of the two roles. She was an adventurous and experienced young woman, well accustomed to bohemian ways. But Miss Weaver, whom Virginia Woolf considered "spinsterly" and "buttoned-up," and Leonard Woolf dubbed the personification of "domestic rectitude," sometimes found it difficult to approve of Joyce's extravagant habits, his high spending and his heavy drinking, and his love of expensive restaurants and good hotels. Nothing he wrote seems ever to have shocked her—Virginia Woolf was far more prudish; but seeing him a little drunk was an experience she avoided.

Harriet Weaver usually lived at home, and paid her hero brief visits. Sylvia Beach, having quitted New England, had settled down in the "fiery centre" of the Gallic literary world. Among her friends and customers were a group of gifted young American expatriates — Ernest Hemingway, Scott Fitzgerald, Ezra Pound, E. E. Cummings—and a galaxy of famous French writers.

Gide she saw frequently; Valéry often made a benevolent appearance; and one day, when she happened to have gone out, and her assistant was sitting alone in the shop wearing a short summer skirt, the great poet suddenly seized a pencil and sketched a woman's head, which he duly initialled, upon the surface of the girl's bare knee. Paul Claudel, however, shunned the bookseller's company — rightly suspecting that she had no religious faith. Through her window she watched him examine her stock, which then included early copies of *Ulysses*, quickly cross himself and hurry past.

"Shakespeare and Company" in the rue de l'Odéon had already become a literary landmark. It was at once bookshop, lending library, and a rendezvous for men of letters, whom its proprietress now and then invited to read their latest works aloud. But Sylvia Beach's major achievement was the courageous publication of *Ulysses*, which emerged, after terrible birth-pangs, during January 1922, and threw open a whole new chapter in the history of English fiction.

She was certainly a remarkable woman, and merited a full-length biographical portrait. Although the present book strikes me as over-long, and Dr Fitch is inclined to clog her narrative with superfluous minor details, it makes a fascinating story. Her subject was evidently the most agreeable type of blue-stocking; lively, sympathetic, uninhibited, a fount of energy and common-sense. Nor did she lack feeling; her emotional life was divided between her devoted associate Adrienne Monnier, the director of another progressive Parisian bookshop; and, inevitably, Joyce himself.

He exploited and disturbed his pair of faithful supporters, yet simultaneously enchanted them.

The paper jacket of Dr Fitch's book displays an excellent photograph: Sylvia Beach, small, alert and large-eyed, gazing reverently at her idol; and Joyce, in a slightly swaggering pose, grasping a thin stick —a kind of magician's wand—his left hand thrust into a trouser-pocket, his felt hat pushed towards the back of his head, as he swings belligerently round to face the camera.

Readers of *Sylvia Beach and the Lost Generation* (not, I think, a very good title) will learn a great deal about Joyce's creative methods. I did not know that probably a third of *Ulysses* had been added to the page-proofs; that "his appetite for proofs was insatiable"; and that every galley was "adorned with Joycean rockets and myriads of stars guiding the printers to words and phrases and lists of names all around the margins."

Few novelists have been more enamoured of words, their origins and historic associations, or written to a more elaborately preconceived pattern. Throughout his whole laborious existence he never deviated from his course. He could only accomplish, he believed, with the help of "silence, exile, and cunning"; and here Sylvia Beach and, on an economic plane, Harriet Weaver gave him the practical support that he required.

Sylvia Beach in the Paris book shop "Shakespeare and Company," with photographs of the Company.

Godly wreckers

BY A. L. ROWSE

The Puritan Gentry
by J. T. Cliffe. Routledge and Kegan Paul, £18.95, 320 pages

Looking back on the reign of Charles I, a nonconformist divine wrote that the country was "then mostly divided into but two Parties, Puritan and Prophane." That is to say, between a small minority, against the great majority of ordinary Church people, who contained quite as many decent God-fearing men and women as those who regarded themselves as God's Elect, regularly referred to themselves as the Saints, the Godly, etc.

This was pretty intolerable for other people who had no such pretensions. William Shakespeare expressed the point of view of the great majority in *Twelfth Night*: "Dost thou think because thou art virtuous there shall be no more cakes and ale?"

Mr Cliffe has written his book against "a tendency among present-day historians to portray the religious loyalties of Puritan gentlemen as little more than a reflection of their economic or political aspirations." "Religion," he tells us, "was a potent force in 17th century England." We know that only too well; no doubt the Puritans believed in Predestination, that they were God's Elect, and the rest of it. The potency of their belief is to be seen in the wreckage they caused—the destruction of works of art, sculpture, stained-glass windows in the churches, altars, organs, the dispersal of choirs, the closing of theatres, etc.

Mr Cliffe takes a selection of families of Puritan gentry across middle England to show us how virtuous they were—never a word against them. To be just, we may allow that the Puritan ethos led a good many to lead a more disciplined life, to work harder, do good works and enjoy themselves less. However, they did not enjoy the pleasures of moral censoriousness against their neighbours, many of whom did good works too, without being sour-pusses or regarding themselves as saints.

In fact, we hear too much already about the virtues and beliefs of the Puritans from academic historians who are their descendants. We want to hear more of the other side: what they did, the destruction they wrought, and what they made out of it. Here is that leading figure, Sir Robert Harley, ordering Leominster to destroy in the parish church "one crucifix upon the great stone cross, another crucifix over the church porch," the crucifixes in the windows, "and other scandalous pictures of the persons of the Trinity." This kind of thing went on all over the country — academic historians, having no eye for the arts, do not appreciate it. This same godly Sir Robert Harley was responsible for destroying the wonderful stained glass of Henry VII's Chapel in Westminster Abbey, comparable to that at King's, Cambridge.

And what did these godly persons make out of it? Far more interesting to know than what they believed—we know that already. Sir Arthur Heselrig, who gets a testimonial here, got hold of Auckland Castle from the Church. The leveller Wildman made a fortune out of dispossessed Royalist gentry, some of them no less virtuous. Favoured Puritan preachers, like Cornelius Burgess—ominous name—disported themselves in deaneries and had a gay old time taking the lead off the roofs of the bishops' residences.

Mr Cliffe concludes: "the Long Parliament would eventually make a settlement of religion, but not until it had fought and won a Civil War." Settlement? It did not last a decade. And had the war been worth it to anybody in the end? "What was regarded as beyond doubt was that God was on their side." Was God on their side when it was all toppled over, like a house of cards, at the Restoration in 1660?

FICTION

Lonely freedoms

BY JIM HUNTER

Every Move You Make
by Alison Fell. Virago, £9.95 (£3.95 paperback), 283 pages

The Annunciation
by Ellen Gilchrist. Faber, paperback, £2.95, 353 pages

Hannah at Thirty-five
by Anabel Donald. Hodder and Stoughton, £8.95, 206 pages

Loose Connections
by Maggie Brooks. Chatto and Windus, £7.95 (£3.50 paperback), 173 pages

Four first novels, four kinds of women's freedom. What slightly alarms the free male reader is not (he said firmly) the erosion of male privilege, but the loneliness which freedom nowadays seems to mean. In one novel the protagonist ends up with the right man ("Come and get warm"). The lightest of the four ends wistfully: "She wished she could have had a little longer with him." A little . . . Two others end in bed, with single mothers holding in their arms their single children.

The climactic memory for June, just before the end of *Every Move You Make*, is of turning away from her lover in bed to fondle herself. "You prefer your rotten fantasies to the real thing," she is told by her more recent lover, Matt, who has tried to bring the heresy of personal relationships into her politicised life.

Thus is Alison Fell ruthless with her cast of exclusively left-wing or feminist characters. They are muddled, adrift, fiercely selfish; and likely to confirm the most rigid prejudices of any right-wing male chauvinist who may accidentally pick up the book. The "straight" world doesn't really appear; one suspects it would get even rougher treatment. The novel, essentially the political and emotional liaisons of one young woman in London in the 1970s, lacks onward impulse and hangs heavily in the air at times. It may lose a good many readers on its way. But page by page the writing is accomplished: vivid, sharp, rhythmically firm and confident; excellent and, incidentally, very "straight" modern prose. Alison Fell will win readers eventually.

In contrast Ellen Gilchrist's *The Annunciation* is almost too deftly plotted (with a Hardy-esque dooms-twist at the end, which is distinctly cheap). Again the writing is skilful, but lighter-toned in a lucid and popular American tradition. The title has a peculiarly American pretentiousness, and at worst the novel is a middle-aged academic *Love Story*; lively and brisk, touching, pain but fundamentally cosy and consolatory. It lapses easily into this sort of thing: "Several times they made love, but it was different now, full of sadness and the secrets they were keeping, a darker kind of love than the bright music Amanda's body made with Will."

Amanda at 14, in that steamy American South we knew from literature, conceives her cousin's child. In middle age both parents separately glimpse their daughter grown, married, herself a mother. Amanda has been through a marriage and through alcoholism; now she makes (perilously close to fantasy) "bright music" with 26-year-old, guitar-playing Will, and on a canoe trip at the end conceives, in her mid-forties, a second child. Hmm. But Miss Gilchrist is often amusing, engaging and easy to read. "A star is born," said an American reviewer. Well, at least a skilful practitioner emerges.

Hannah at Thirty-Five has no pretensions. On its own terms it is the most consistently successful of these four books: funny without forcing, and not entirely frivolous. Hannah, left by awful Brian to support herself and her two children in the silly would-be-upper-crust lifestyle which is the only one she has known, takes a teaching job at a dreadful girls' independent school. She does not entirely resist the advances of one Nigel, but is altogether more impressed by her handyman, David. Some very funny sequences—notably that where Hannah, in darkness, confuses genital lubrication with cleaning her teeth—are held in play with a lot of common sense and a thread of real pain. The death of a friend from cancer is neither comfortably nor slickly resolved.

Loose Connections is lighter still, not much more than an amusing television play transcribed, but nicely plotted, and carried off with confidence. Feminist Sally, intending to travel to a "women's event" in Munich with two other girls, ends up going with Harry, who has reassuringly announced himself as "gay" but in a shared sleeping bag becomes definitely serious. Maggie Brooks keeps us guessing and amused to the end, and we can be pretty sure that in some other story Sally will settle for a good man, and stability; and that much loss of freedom.

Donald: funny without forcing

Bankers and/or baddies

BY BARRY RILEY

The World's Money
by Michael Moffitt. Michael Joseph, £9.95, 274 pages.

Michael Moffitt's entertaining but somewhat superficial book on the problems of international banking reads a bit like the incomplete scenario of a rather improbable disaster movie.

Potentially fatal weaknesses have been left in the design of the international monetary structure by its builders, John Maynard Keynes and Harry Dexter White. The system is being driven towards destruction by a group of bankers bent on world domination—led by chief baddie Walter Wriston of Citibank, who is clearly heading for a sticky end in the final reel. Enter tall, cigar-chomping monetary policeman Paul Volcker. His desperate change of course buys time, but cannot prevent the loss of first one passenger, then others. . . .

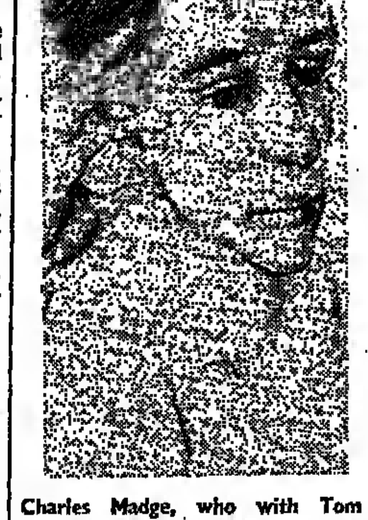
But there is no catastrophic climax. "No one can or should try to predict a banking crisis," writes Mr Moffitt, rather primly; a bit of a let-down for a book which is sub-titled "international banking from Bretton Woods to the brink of insolvency." In this book the author appears to blame greedy and reckless bankers for current problems (Mr Wriston is singled out for special attention). A more thoughtful analysis would surely have dwelt on the political and economic reasons for the channelling of vast sums to unstable Third World and Eastern bloc régimes.

Mr Moffitt includes much good material about key individuals in international banking and the activities of some of the big American banks. But the U.S. orientation is much too pronounced for a book which is supposed to be about the world. Even his London sources seem mostly to be expatriate Americans. There is almost nothing about the Swiss and the Germans, let alone the Japanese.

So the final theme of the book, on the need for tighter control, the reverse of deregulation, is focused on current U.S. developments, with some of the regional barriers coming under pressure—Citibank is trying to move into California, for example—and the Glass-Steagall Act being called into question. That Act was introduced in 1933 precisely to counter some of the worst abuses of the pre-1929 period.

But although the specific problems are American, there are global implications to the author's theme of "an age-old problem of capitalism: the inherent instability of competition." He quotes extensively the views of Albert Wojnilower, chief economist of First Boston Corporation, who favours tougher regulation. Wojnilower, and Henry Kaufman, of Salomon Brothers, are said to be known on Wall Street respectively as Dr Death and Dr Doom.

Not so long ago, bankers tended to deny that any serious problem existed. Now, the received wisdom is that the agony can be phased out over, say, 10 years and, with the aid of compliant auditors, lost in the figures. But this depends on future self-restraint, whereas Mr Moffitt believes that "the bankers cannot police themselves."



Charles Madge, who with Tom Harrisson and Humphrey Jennings started Mass-Observation in 1937, drawn by Mervyn Peake. Madge, a Cambridge "drop out," was a poet, Surrealist and Communist, who organised his "National Panel" of 500 volunteers from Blackheath. Their main task was to keep a record of everything they did from waking to sleeping on the 12th day of each month.

o tempora! o mores!

BY ANTONY THORNCROFT

Speak for Yourself: A Mass Observation Anthology 1937-49
by Angus Calder and Dorothy Sheridan. Cape, £12.50 259 pages

In 1937 three young men, brought together by Tom Harrisson, were shocked by the popular involvement in the abdication of King Edward VIII: what could the working classes be thinking of? They decided to investigate the mores of "the people" recruiting, mainly through the *New Statesman*, a team of ioonitors who would observe the life style of the majority of their fellow citizens at rest, work and play.

In this way began Mass-Observation, which from 1937 until just after the second World War produced a continuous flow of reports on such arcane matters as the proportion of saloon bar drinkers who wore bowler hats (13 per cent rising to 25 per cent on Saturdays), and how many smokers tapped their cigarette before lighting it—54 per cent.

The original programme of research contained some very bizarre study plans: the aspidistra cult, female taboos about eating, bathroom behaviour, and more. One extract in this book contains a description of an Irishman undressing for bed, presumably observed through a lighted window; but in the main the attempts to be really voyeuristic were disappointing. Despite all the strenuous observations by volunteers, the sex life of the working class while on holiday in Blackpool was apparently less discernible than in Mass-Observation's home base of Bolton, designated "Worktown."

The whole enterprise leaves a rather nasty taste in the mouth—mainly left-wing middle class researchers spying on the lives of the natives with all the amazement of African explorers. But even if much of the reportage is flawed by the political bias of the observers this anthology contains much fascinating material, not least about the impact of the blitz on urban life. It is not market research by any scientific measurement, but it is valuable social history, telling us as much about the watchers as the watched.

BRIDGE

E. P. C. COTTER

THE International Invitation Tournament, staged in Calcutta by the West Bengal Bridge Association, was a great success. Everyone appreciated the venue, the Saturday Club, "so different from the characterless international hotels, in which the majority of important tournaments are held, where it is hard to tell what part of the world one is playing in." I quote from the Daily Bulletin.

Billy Eisenberg of the North American team showed excellent technique in this band:

N
♠ J 10 9
♡ Q 8 7 2
♢ K Q
♣ A J 10 9

W
♠ 8 7
♡ K J 10 5 3
♢ 9 5 3
♣ 8 6 2

E
♠ K Q 4
♡ 9 4
♢ A J 10 7 6 5
♣ Q 7

S
♠ A 6 5 3 2
♡ A 6
♢ 8 4
♣ K 5 4 3

With East-West vulnerable, South dealt and opened the bidding with one spade. North replied with two clubs, and East competed with two diamonds. The opener rebid three clubs, and after a spade raise from his partner, bid four spades, which became the final contract.

West led the nine of diamonds to the Queen and Ace, and East returned the nine of hearts. On this the declarer played his six, the King won, and West sent back a heart, which was taken by the Ace. Crossing to the diamond King, the declarer played the Knave of spades, covered by the Queen and Ace, a second spade was won by the King, and East exited with a third spade to the 10 on the table.

Everything depended on getting a count on the unseen hands in order to find out who had the Queen of clubs, so the declarer cashed dummy's Queen of hearts, throwing a club from hand. When East showed out, he was marked with a 3-2-6-2 hand pattern. Now all that remained was to turn the screw on West.

Crossing to hand via the club King, South cashed his two remaining trumps, forcing West, who had to keep his Knave of hearts, down to one club. Now the declarer knew that the club Queen was bound to fall from one side or the other.

In the next deal a fine defence was brought off by Chaudhury, a blind Calcutta player in partnership with Zia Mahmood of Pakistan:

N
♠ 9 6 5 3
♡ Q 2
♢ Q 7
♣ K J 10 5 3

W
♠ 4 2
♡ K 10 8 7 5 3
♢ A K 8 2
♣ 6

E
♠ A K J
♡ A J
♢ J 10 9 5
♣ Q 9 4 2

S
♠ Q 10 8 7
♡ 9 6 4
♢ 6 4 3
♣ A 8 7

With East-West vulnerable, East dealt and bid one no trump, and West replied with four diamonds, a transfer bid, which East duly converted to four hearts. When South, the original fearless Freddie, came in with four spades, West showed excellent judgement in leaving the decision to his partner, and Zia had no hesitation in doubling.

West led his singleton club, dummy's 10 was played, and East severely ducked to deny dummy an entry, and South had to win. The declarer was in complete Zugzwang. He led a heart at trick two. West played low, and dummy's Queen lost to the Ace. East returned the club nine—a suit preference signal—and West ruffed.

After cashing Ace, King of diamonds, East dropping the Knave on the second lead to emphasise his request for a heart return, West underled his heart King, enabling his partner to regain the lead with his Knave, and give West another club ruff. Now the unhappy South could not prevent East from making three trump tricks, and the result was six down, a penalty of 1100 points.

CHESS

LEONARD BARDEN

WOMEN chessplayers who can hold their own against strong male masters form a rare elite. Almost all the half-dozen ladies in this select group have been of Russian or Georgian birth, such as Vera Menchik the pre-1939 world champion or her successors, Nona Gaprindashvili and Maia Chiburdanidze. At one time Georgians so dominated international events that their success was ascribed to Caucasian mountain air or to the tradition that brides in Tbilisi include a chess set in their dowries.

A more significant factor among top women players is early practice against an expert brother. Gaprindashvili was the only girl in a chessplaying family of eight; Pia Cramling, the 20-year-old Swede now ranked world no 1, has a brother Dan who boasts a tournament win over Tony Miles. Menchik was coached by the grandmaster Maroczy, while reigning world champion Chiburdanidze was a prodigy at age 10 and was coached at the Tbilisi chess house.

Menchik in her time scored a win over Euwe who later became men's world champion, but generally she finished near the bottom in the strongest tournaments. The Georgians have advanced further. Gaprindashvili tied first at Lone Pine 1977 while Chiburdanidze has won mixed tournaments at Barcelona and Delhi.

But it is Miss Cramling, the first Western-born woman to reach world heights, who has really captured public interest. At Lloyds Bank 1982 she had Korchnoi on the verge of defeat; last year she was awarded the international master title at men's level; and now she has begun to beat male grandmasters. Her first two GM scalps, Alburt and Shamkovich, fell last month at Reykjavik where Cramling led the field for several rounds.

Miss Cramling will be in Britain next month when she competes in the Oakham School junior invitation, a £7,000 event and a good deal stronger than the official junior world title contest. Her rivals include both Nigel Short and the reigning under - 20 world champion Georgiev from Bulgaria, but on the form of this week's game Pia Cramling will be a danger to them all.

White: Pia Cramling (Sweden). Black: L. Alburt (U.S.).

Alekhine's Defence (Agricultural Bank international, Reykjavik 1984).

1 P-K4, N-KB3; 2 P-K5, N-Q4; 3 P-Q4, P-Q3; 4 N-KB3, P-KN3; 5 B-QB4, PxP.

Alburt is an expert on Alekhine's Defence 1 . . . N-KB3, but this is dubious compared to the natural N-N3 or P-QB3. 6 PxP, P-QB3; 7 N-B3, B-K3. NxN? 8 BxP ch is immediately fatal, so Black opts for this artificial development. Cramling at once exchanges one bishop and blocks its partner out of the game.

8 N-KN5! B-N2; 9 P-B4, N-Q2; 10 BxN, PxB; 11 B-K3, N-N3; 12 NxB, PxN; 13 B-Q4, N-B5; 14 P-QN3, N-R6.

Conventional strategy says little about this advantage, where a pawn wall buries an enemy minor piece. Black's bishop is not "bad" in the usual sense since surrounding pawns are on light squares, but for practical purposes Black is a piece down.

15 0-0, R-QB1; 16 R-B2, O-R4; 17 Q-Q3, P-QN4; 18 R-QB1, P-N5; 19 N-K2, N-N4; 20 P-B3, PxP; 21 P-QR4, NxB; 22 NxN, K-Q2; 23 P-R4, R-B4; 24 KR-QB2, KR-QB1; 25 K-B2, Q-N5; 26 K-K3, BxP.

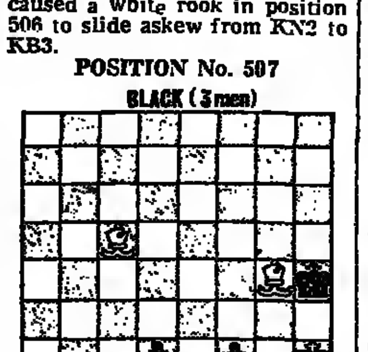
Virtual surrender, but otherwise his passed pawn falls. White plays the rest calmly and accurately.

27 PxB, Q-N1; 28 K-B2, QxKP; 29 R-K1, R-B1 ch; 30 N-B3, Q-R7; 31 Q-Q4, R-QB2; 32 RxBP, RxR; 33 QxR, QxRP ch; 34 K-N1, RxN; 35 PxR, P-Q3; 36 Q-Q2, Q-N6 ch; 37 K-B1, QxP ch; 38 Q-B2, Q-R6 ch; 39 K-K2, P-K4; 40 Q-B3, Q-R7 ch; 41 K-Q3, Q-QN7; 42 Q-Q5 ch, K-K1; 43 Q-R8 ch, K-B2; 44 R-B1 ch, Resigns.

Apologies to solvers for last week's technical mishap which caused a white rook in position 506 to slide askew from KN2 to KB3.

POSITION No. 507

BLACK (3 men)

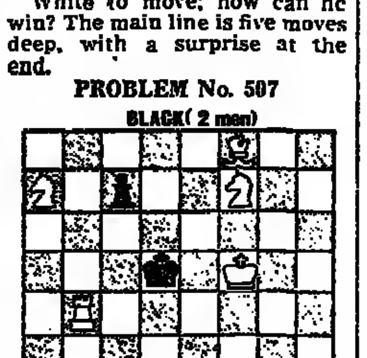


WHITE (3 men)

White to move; how can he win? The main line is five moves deep, with a surprise at the end.

PROBLEM No. 507

BLACK (2 men)



WHITE (5 men)

White mates in three moves at latest, against any defence (by W. Hoek, 1950).

Solution, Page 16

Agitlit. crit.

BY ERIK DE MAUNY

Literature and the Left in France
by J. E. Flower. Macmillan/Humanities Research Centre, Australian National University, Canberra, £20, 256 pages

The literature of social protest in France over the past 100 years or so reveals a number of distinct and often conflicting facets, ranging from a somewhat sentimental populism to a series of mainly unconvincing attempts to emulate the doctrines of the Soviet Proletcult and of socialist realism in a French context.

Professor Flower begins his survey with key novels by Zola and the Goncourt brothers (*L'Assomoir*, *Germinal*, *Germinie Lacerteux*), then examines the work of more than a dozen luminaries of the Left, of whom the best known are Henri Barbusse, Charles-Louis Philippe, Paul Nizan, Louis Aragon, André Stil, Roger Vailland and Louis Guilloux. He has also combed assiduously through a mass of theoretical writing as it first appeared in Barbusse's reviews *Clarte* and *Monde*; later in such publications as *La Nouvelle Critique* and *Les Lettres françaises*; on much of which the dust now lies thick.

In detailed analysis of individual novels, Professor Flower combines many shrewd insights with an impressive general grasp of the changing patterns of French society. What one misses is a guiding, connecting thread between these separate essays. There is a considerable gulf between, say, a purely populist writer like Charles-Louis Philippe and writers of Communist allegiance and inspiration, such as Aragon and André Stil. As for the latter, the attempt to use the Soviet concept of socialist realism within the very different context of French society was plainly an error from the start, fated to produce results smacking more of propaganda than of art.

The field remains a vast one, however, and Professor Flower has had to limit himself to a number of significant landmarks. At times, the process of selection he has used is open to challenge. For example, discussing the work of Louis Guilloux, he devotes several pages to the early novels, *Angélina* and *La Maison du Peuple*, but makes only a glancing reference to *Le Sang noir*, surely Guilloux's finest achievement.

Transliterations of Russian names are shaky (Kruschev, Zostchenko, Tchernychevski, etc): a pity, in a work of scholarship. In short, Professor Flower's survey is more rewarding in its parts than in the sum.

مكتبة الأصل

HOW TO SPEND IT

by Lucia van der Post

Undercover Story

I SUPPOSE it was Janet Reger who first made the post-war generation realise that there were other places to buy your underwear than Marks and Spencer and that there were better things to wear close to the skin than sensible, machine-washable nylon.

Janet Reger was the first designer to make everybody *from the shop girl to the duchess* long for a bit of allure in their undercover dressing. Even those who never bought a Janet Reger number knew her name, for what she sold was more than just a collection of underwear — she sold GLAMOUR.

Alas, Janet Reger's company is no longer what it was, but her influence lingers on. In high street stores up and down the country the ranges of underwear on offer become daily more alluring. Whereas once the high street view of undercover glamour was some rather tatty lace (probably in black) stitched onto a miniscule piece of nylon (scarlet or an improbable shade of lilac)—today it will probably be of pure cotton, maybe of finest lawn and increasingly of silk.

Whereas once upon a time a pair of briefs, a bra and possibly a vest if you were a chilly mortal, made up the average female support kit, today you never know what it is lurking under the demure Miss Brodie-like look—it may well be a bouncy pair of French cami-knickers, trimmed in palest oyster lace, a jaunty camisole or a skimpy pure silk vest.

Underwear has become as seductive, as compulsive a purchase as any chocolate bar. It's one of the cheapest and easiest ways to make yourself feel good.

In stores up and down the country buyers report that the average customer's tastes are moving decidedly upmarket. Pure fabrics are what she's after and one of the biggest surprises of all, pure silk, is increasingly the favourite fabric.

Marks and Spencer round about Christmas time tried out a range of ravishingly pretty underwear which included bras and French knickers, petticoats and negligee sets—most were in combinations of materials, but all included a percentage of pure silk and all were sold as quickly as they hit the counters.

So now the next collection is in the *shops*—this time a very glamorous French-looking line with just 15 per cent of pure silk (the rest is 55 per cent nylon and 30 per cent polyester) but it feels beautifully soft and silky and is trimmed with fine, high-quality lace. *The pure silk line* is less glamorous in outline (being a trim embroidered vest and mini-bikini) but is soft to the touch and a joy to wear. Prices are good and if care is taken with the washing (pure silk should be hand-washed but the combination fabric can be machine-washed) it should last for a very long time.

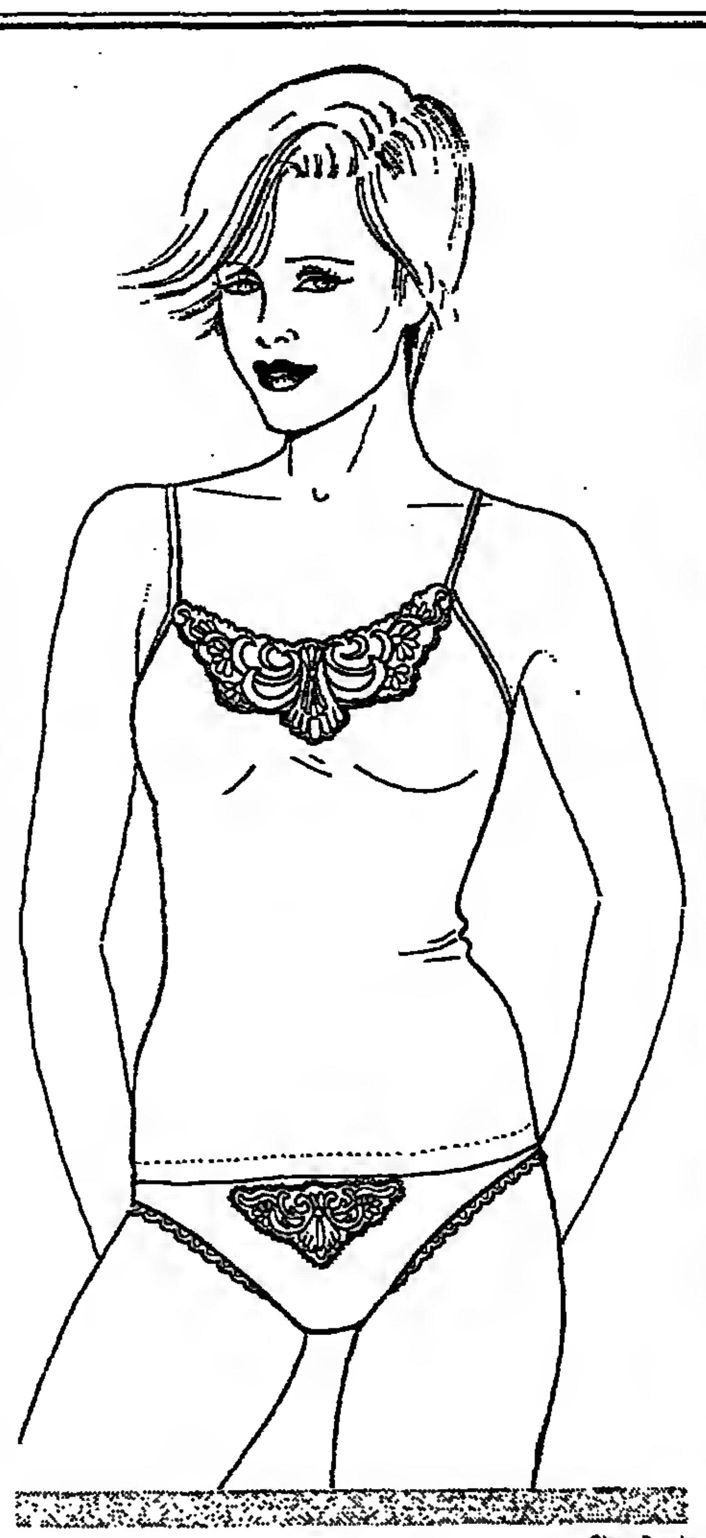
At Fenwick of Bond Street, one of the fastest barometers of *changing* fashion, buyers report that its own range of silk bras, pants and French knickers are selling as fast as they come in. Silk has recently gone down in price so they are able to sell bras at £5.95, French knickers at £8.95, briefs at £5.95, suspender belts at £5.95 (these are apparently moving up the charts very fast) and camisoles at £8.95 and cami-knickers at £12.95 (for mail order add 25 p+p per item).

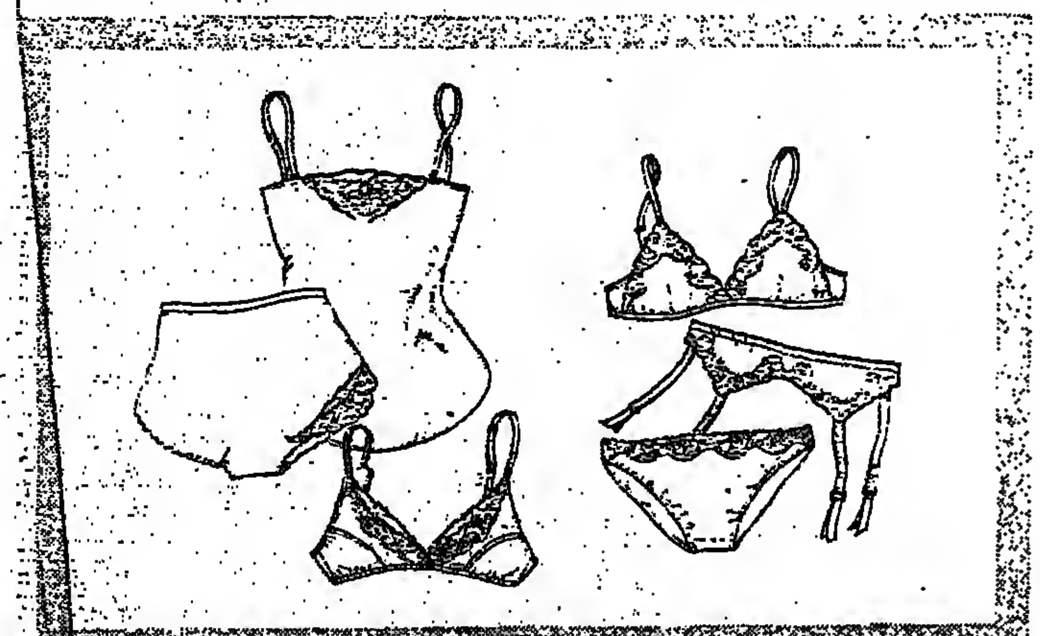
Fenwick finds that white and cream are favourites with women customers (with lilac, soft pastels, especially pale pink, coming next) while if men are buying for women, black is what they go for.

Hotly awaited are the range of pure silk boxer-shorts in racing colours due to arrive at the end of March—just £9.95 a pair.

An upmarket store like Harvey Nichols reports that nowadays some 30 per cent of the *business in their lingerie* department is done in pure silk, and one of the reasons is that silk is now much more affordable than in the past (whereas once a pair of pure silk knickers would sell for £30, now you can find them for about £10).

For those who tend to think that silk goes together with lace and frills, classiest of all the recent designs is Nicola Logan's almost entirely plain, severely cut mannish pyjamas in purest beige silk satin, relieved with just some plain matching piping and selling at £250. *That* to my mind, is the thing to do with silk.



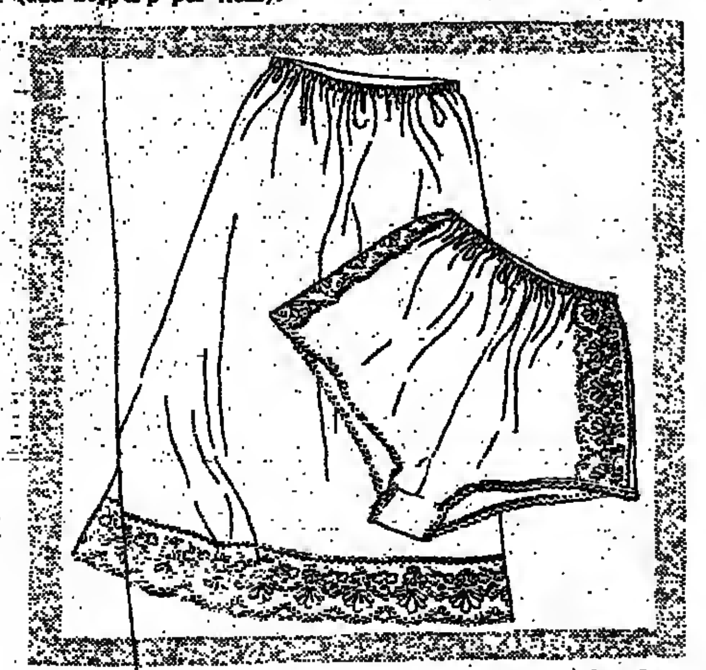


Clara Brooks

ONE of Marks and Spencer's new lines currently being tried out in London's Marble Arch and Oxford Circus branches and due to go into all major branches from July onwards is this collection of 100 per cent pure silk underwear. For the moment these are the only two designs on offer—both currently are available in cream only with cream inset embroidery, but in the summer the company hopes to introduce them in black as well.

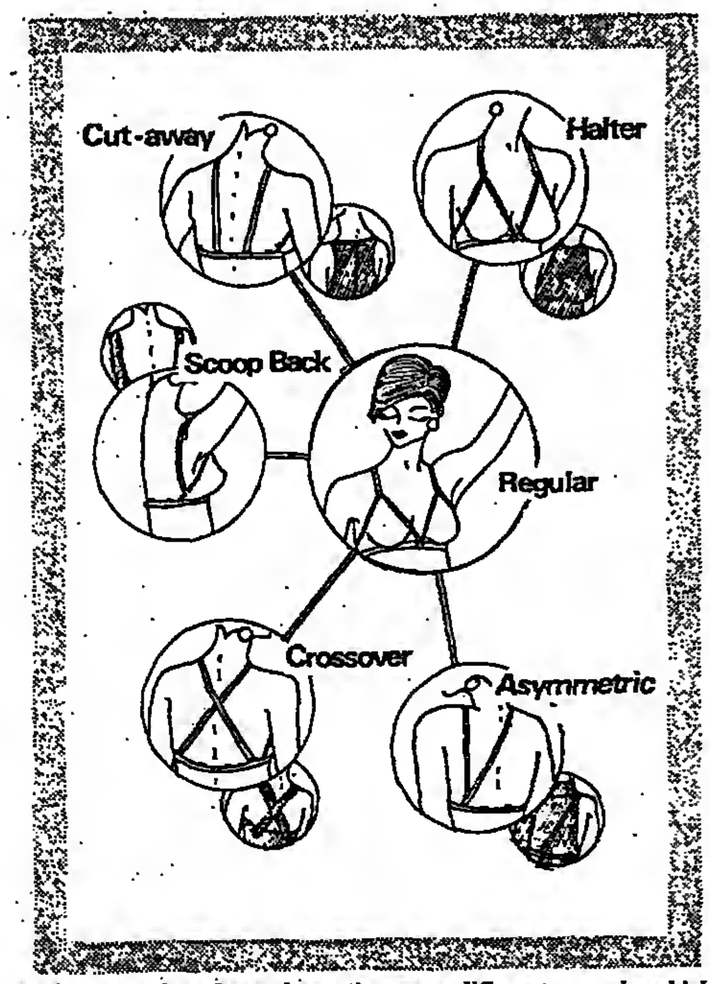
The bikini knickers are £2.99 each (sizes 34 to 36 inches, and 38 to 40 inches), while the vest is £5.99 in the same sizes. Both garments must be hand-washed. Anybody unable to go to the Marble Arch or Oxford Circus branch in London can buy them by mail order from the Customer Liaison Department, Baker Street, London W1.

ROSY of France is a French company producing some luxurious lines of pure silk underwear. Prices are not cheap but the designs all have that wonderfully sensuous feel that is the mark of the best silk lingerie. The range comes in a pale oyster colour only and only the finest filigree lace is used for the trimming. Left is the Oiseau de Soi collection—a bra at £16, a chemise at £22 and French knickers at £18. There are also matching silk briefs at £8.50. On the right is the Sole Triangle range—this uses antique lace and the colours are pale oyster and mushroom. The bra is £12, the mini-brief is £8 and the suspender belt £9.50. Both ranges are sold in good department stores like Simpson, Liberty, Fenwick in London and Rackhams of Birmingham, Sheffield and Bradford; Kendals of Manchester. Also available by mail from Fenwick of Bond Street, London W1 (add 25p p & p per item).



Clara Brooks

IF YOU like the feel of silk but can't be bothered with the handwashing it involves Marks and Spencer is producing some glamorous-looking underwear that has much of the feel of silk but is entirely machine washable. It uses a fabric made of 15 per cent silk, 30 per cent polyester and 55 per cent nylon, but the designs look luxurious and the prices extremely reasonable. The slip is £9.99, the French knickers £5.99. Both come in white or beige.



THE illustration above shows the many different ways in which the Six-in-One bra can be worn. The straps can fit into a series of different slots thus enabling it to be worn with a halter-neck dress or sweater, with a crossover sundress, a cutaway top, a scoop back, an asymetric top or in the perfectly ordinary straightforward way.

The perfect bra for the summer to come or to be worn with the many *low-necked sweaters* around. You'll have to wait for a fortnight though by which time Fenwick of Brent Cross, London NW4 (the lingerie department) will be selling them for for £5.85 each (it will post by mail, add 50p p&p).

Restored to glory

IF YOU have a valuable Ming vase with a nasty chip in it, a sculpture that is looking grey and dirty and you don't know how to clean it, or a Tibetan bronze that has been over-enthusiastically cleaned, then Ronnie Bock is your man. Ronnie Bock it is who can restore rare and beautiful objects so that only the all-seeing eye of the X-ray will know that he has been at work, not even the ultra-violet light will show up his work.

He treats each broken or damaged object like a patient. Sometimes *they need major* surgery, sometimes just a little gentle nursing will bring them back to health, sometimes, he has to battle against the ravages of a nasty disease that early bronzes are particularly prone to getting.

His studio, way above Grays antique market at 58, Davies Street, London W1, looks much like a dentist's surgery—ranged along the walls are solutions and potions, creams and drills, little palette knives. He works mainly with very valuable pieces for people like Sotheby's and Christie's museums, art galleries and loss adjustors but anybody who has a *valuable piece* that needs his special care can call upon his work.

His skills, though, are among the best in the business and *they* don't come cheap, so don't go trotting along with a broken cup and saucer or a table of only sentimental value with a crack in it. The cost of the work would be out of proportion to the value of the piece.

Trevor Humphries

Ronnie Bock at work in his studio

Ronnie Bock has had to develop his techniques himself—he never found anybody who did a good enough job for him to be prepared to learn from. Today, a good portion of his work is putting right the botched jobs that other restorers have done before him.

He specialises in terracotta, bronzes, ivories, stone carvings and ceramics, objects rescued from early tombs.

Tomb objects, in particular, often arrive at his surgery in a highly distressed state—many have been floating around for years with no attention. "When they leave my studio they go out looking well, if not pristine."

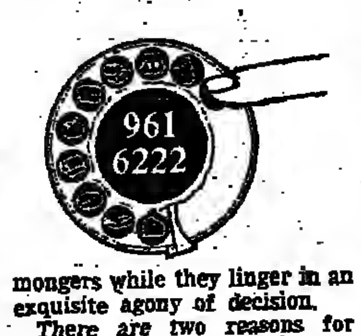
His work often increases the value of a piece enormously—a T'ang horse estimated at being worth about £60,000 was sold for £110,000 when he'd finished working on it.

He is very careful never to over-restore. The patina or weathered look is, he believes, very important, particularly when it comes to bronzes and they should never be shined up so that they look like new.

Ronnie Bock has been working with ancient objects of this sort for so long that he knows what most of them should look like so that even if they arrive in many pieces he can re-construct the original form. Every now and again, though, a piece will arrive which requires him to start from scratch, searching through museum records to make sure he gets it right.

Now that he has become, so to speak, the grand maitre of the restoration world, he is inundated with requests from others to part with all his secrets. Though many of the skills required are entirely personal, and the result of years of practice, there is basic advice to be given and he is now in the middle of writing a sort of do-it-yourself guide to restoration, due to be published in 1985. This should enable the enthusiastic amateur with a not-too-valuable piece to give it a whirl himself.

POSTSCRIPT



OF ALL the many little services that I write about from time to time, the one that seems to have made more difference to more (alas, just London) readers' lives is perhaps Athur Strong, the Phone-in Supermarket. Those who already benefit from the service will know only too well that what it offers is a same-day delivery service for any orders 'phoned in before 1 pm.

The service is not intended, nor does it pretend, to offer any kind of feast for gourmet eaters — indeed, its main strength, it seems to me, is that it takes care of all those truly boring and relentlessly recurring domestic items like washing-up liquid, tins of tomatoes, washing-up powder et al, and saves you the bother of picking them up and lugging them home. Gourmet eaters can still pursue their leisurely way round the delicatessen counters and the specialist butchers and fishmongers while they linger in an exquisite agony of decision.

There are two reasons for referring to Arthur Strong once more. In the first place, it has expanded its areas of activity so that more readers may now be able to take advantage of the service. Everybody in the areas covered by SW1 to SW20 (inclusive), W1-W14 (inclusive), NW2, 3, 6, 8, 10 and 11 as well as Richmond, Twickenham and Brentford can all take advantage of the service.

In the second place, in response to pleas from regular users of the Phone-in Supermarket, a selection of frozen foods can now be ordered. Again, these are basic popular lines, things like Cod Fish Fingers and Florida Orange Juice.

Any reader who thinks the service might now operate in her area can telephone the office (01-961 6222) between 8.30 am and 6.00 pm asking for an order sheet. Though same-day deliveries are made on the day your area has a delivery, at the moment this runs at about three days a week in each area (the aim is to make it every day very soon).

All deliveries have to be paid for either by cash or cheque on delivery. When it comes to prices — all orders over £10 are delivered free and the prices charged seem to me (after checking against my own local stores) to bear out Arthur Strong's claim that they are "more than a superstore, less than your corner shop."

READERS who enjoyed doing Clio Design Studio's tapestry kit based on a mosaic design found on the floor of a Roman house in the City of London might like to do the Studio's latest kit. This time the design is based on a Hare mosaic tile found in a house in Cirencester. The mosaic itself is now on display, with many others, in the Corinium Museum, Cirencester, Gloucestershire.

The tapestry kit measures 15 ins by 15 ins, uses brick red, yellow, cream, blue-grey and brown colours on a cream background and features the central part of the mosaic as closely as is possible using wool on canvas.

To work the design a half cross-stitch is used while the "rope" borders are on a slightly larger scale and so are relatively easy to do.

For the kit, including printed canvas, wools, needle and all instructions send £14.95 to Clio Design, 54, Kensington Court, London W8.

THE ARTS

Arthur and Nigel

It's not for me to comment on the Budget, but I can offer a word of appreciation of how the BBC covered it on radio. In their favour, Radio 4 gave us a live broadcast of the proceedings in the House. Only on VHF, though; on long wave we had comment throughout the afternoon by a well-picked selection of commentators. At the same time, Radio 2 had a *Budget Special* — music, facts and analysis, as the Radio Times put it, and all the latest Budget news as it happened. Mightn't the Radio 2 listeners have been persuaded to do without their music, and had the Radio 4 long wave programme? And the Cheltenham racing interposed into Steve Wright's bit on Radio 1?

Thursday's play *Passings*, by Jan Weir, on Radio 3, was interesting. It was about the death of King Arthur and the end of the high resolves of the Round Table; but it was told in a curious third-hand manner. We began with a conversation between a young minstrel and

RADIO
B. A. YOUNG

an older minstrel, who were inclined to recount their recollections of the Round Table in verse. They worked from legend rather than memory; but the legend they chose to use began with a tale of Arthur dying after the Battle of Salisbury Plain, attended by Sir Bedwere [sic].

Half-recalled events from his life flitted through the King's mind, from his early days under Merlin's tutelage, or perhaps T. H. White's; his Wagnerian seizure of the sword in the anvil; his incestuous love for his sister; Guinevere, Mordred, Lancelot, Galahad. Merlin alone had any criticism to offer for the standards of the Round Table; aristocracy was no substitute for nobility, sentiment for law, knights for police. And the whole project came to an end with the rebellious Mordred. While Arthur was rambling on in his delirium, encouraged by Bedwere, they were joined by a peasant boy. "We'll rebuild it, just as it was," vowed Bedwere, though his knightly chivalry was not above lying to his king about throwing his sword into the lake. "I think I should go home now," said the boy, caring more for his sheep than for old tales.

Now frankly I didn't enjoy the play much, but it was a first-class example of experimental radio writing. Radio plays are like pictures. They can be simple and realistic, like the Pre-Raphaelites; you get these usually on Saturday Night Theatre (though not, as it happened, on last Saturday's mélange of old science-fiction notions, Wally K. Daly's *With a Whimper to the Grave*). They can be Impressionist, with truth and facts artfully deployed so that the theme, or just the sentiment, is presented by a disturbing difference from real truth. *Passings*, in its way, was the equivalent of something like Picasso's *Gernika*, an assembly of apparently detached emblems from which a message emerged. The message here was in the boy's last speech. Such plays call for tricky direction, and Glyn Dearman, who had specially composed music, moved us effectively from plane to plane.

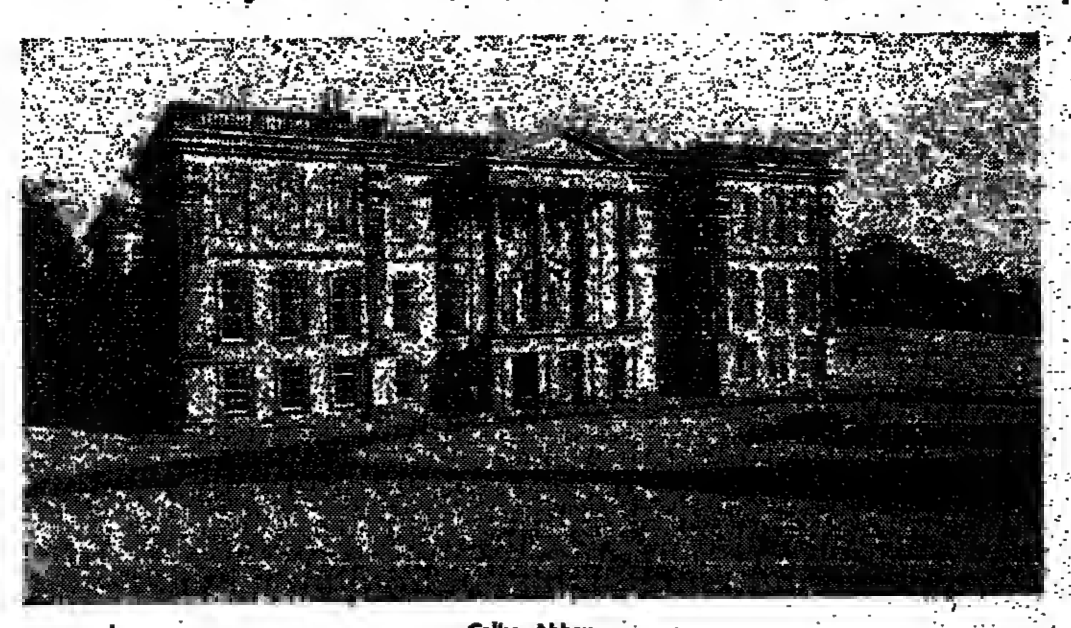
I don't think the music was used as well as it might have been, but then I am rather allergic to incidental music. Derek Cooper began last Sunday's Food Programme with an interesting talk on elderberry wine, but he, or his producer Joy Hatwood, insisted on starting it with a futile song about that delicious drink. And there was another song at the end, when the programme was dealing with beer—a song about beer, naturally, though also a song about taxation ("Live Billy the King, for bating the tax upon beer," the song they sang at Tom Brown's school), so it may have been thought apt. I'd rather have heard more of jolly Mr Cooper and his colleagues.

Among the shorter programmes of the week, I was fascinated by Saturday's Radio 4 about Maria Jeritza. When I was quite young I fell madly for Jeritza, simply from a photograph of her in a book called *Opera at Home*. I never heard her, and duly forgot about her. But it seems she was well-known as a fascinator, was even compared in this programme with Marilyn Monroe. It's too bad that, having heard her at last, I thought she didn't sound as well as she looked; but after all, there were no recordings later than 1926 in the programme.

And the bit about Hugh Walpole on Radio 4 on Tuesday, aptly called *I have No Genius but by God I am a Novelist*, was splendid. Poor Hugh Walpole, he may have had no genius, and he never stopped writing to fellow-novelists who confirmed the failing; but he was a great popular success.

Calke Abbey has been saved. Colin Amery assesses the prospects for other grand houses in danger

Good news for Calke —& Co.



Calke Abbey

One small but significant feature of the Lawson Budget this week was the inclusion in the speech for the first time of a mention of conservation and the heritage. The Chancellor announced that Calke Abbey, the eighteenth century house and park in Derbyshire, which was in imminent danger of being sold to meet a tax debt of some £8m, was to be saved for the nation.

Mr Lawson proposed to help towards the saving of Calke by giving an additional £6.3m to the National Heritage Memorial Fund on top of the £3m already announced. Calke Abbey will be handed to the National Trust and it is anticipated that the total sum necessary for the repair and restoration and future maintenance of the property will be £8m.

The whole question of Calke Abbey raises important issues for the future of large and small country houses and estates and their contents. The National Heritage Memorial Fund was set up in 1980 in the wake of the great Mentmore sales when that great collection was dispersed through the saleroom and a valuable example of a 19th century house and collection was destroyed.

The Fund was established as a safety net but also given the independence of an "arm's length" body — keeping its distance from the Government and acting on its own initiative with the advice of a band of worthy trustees.

During the period 1983-84 the fund spent £15m. This included large sums for the National Trust for Belton and Studley Royal but also modest sums for the Royal Society for the Protection of Birds to secure sanctuaries at North Hoy and Speyside.

There can be no doubt that it is country houses that are the most expensive and, to many most desirable aspects of the heritage. They are expensive to run, difficult to preserve without putting them in aspic, and sensitive to large numbers of visitors. Calke Abbey has been a fascinating case because it has illustrated the benign allure of the idea of the country house.

It is a house that few people have seen. It is a house with no obvious historical connections. Calke Abbey is, however, the essence of the idea of continuity, the home of a reclusive family who have maintained that balance between art and nature that is so important a part of the British heritage. What is remarkable is that a house like Calke should capture the imagination of the public, the Press and the Treasury in such a way that it has been possible to end the years of neglect and prevarication with a settlement that is acceptable to all parties.

The thanks for this are due, in no small measure to the National Heritage Memorial

Fund, under its chairman Lord Charteris, who have acted in a new capacity. They have not just come up with the money but managed to get all the parties to the problem around a table to reach a successful conclusion. It was only last year that the Department of the Environment and the Treasury were scarcely speaking to each other over the vexed question of Calke. The Heritage Fund had already agreed last year to come to the rescue of Belton which had rather surprisingly slipped onto the open market. They came up with £6½m, money they had in the bank, to prevent the serious risk of an asset strip of this great house and valuable contents. The fact that Calke and Belton were problems in the same year shows how unpredictable the future of such great houses can be. There is seldom enough money for more than one major rescue in a year.

The Secretary of the National Heritage Fund, Mr Brian Lang, is confident that supplementary grants will be available from the Government for outstanding cases whoever they are in danger. A precedent does seem to have been established with Belton and Calke but it is not impossible to foresee a time when four or five great houses could be in danger simultaneously. The National Heritage Memorial Fund has some £16m in investments—but it is unlikely to dip deeply into these reserves often.

There are other ways of saving houses and recent changes in the system of Capital Transfer Tax has made it possible for owners to establish private charitable trusts with maintenance funds for their properties. Thirlestane Castle on the Scottish Borders is a recent case where the owner has placed the house, contents and park in the care of a private charitable trust endowed by the National Heritage Memorial Fund to the tune of £650,000. Specific Trustees are appointed to look after the property and in this case they include representatives of the Scottish Office, the National Trust for Scotland and other bodies concerned with the heritage in Scotland. This private approach may not be as effective as the endowment of a property "in perpetuity" by the National Trust, but it is not as expensive.

Initially the National Trust method looks expensive but in many ways it is the only one for permanent and continuing preservation. Large endowments are probably the only way to cope with the steady and consistent decay of old houses. The Director-General of the National Trust, Mr Angus Stirling, points out that the Trust has a priority list of conservation needs for its properties running at present at £11m. For the next year the Trust can only afford to provide some £2½m from its reserves and will have to rely on appeals, trading and events to raise the money still needed. Conservation of quality is costly.

The opening next month of Canons Ashby in Northamptonshire will demonstrate the financial complexities of the country house business. The National Trust has restored this beautiful manor house, home of the Dryden family, from the brink of collapse. It has not been easy and funds have come from the National Heritage Memorial Fund, The Historic Buildings Council, the Landmark Trust, the Dryden family, the Department of the Environment, the Wolfson Foundation, the Leche Trust, the Pilgrim Trust—many other funds and a successful public appeal that raised more than £100,000.

Complex fund raising, delicate negotiation, cautious advances by the Government are the way forward for the now politically sensitive future of the country house. What will happen to a great house like Kedleston in Derbyshire, a great Adam masterpiece of European importance? Will a private trust secure it for a long enough future or is it time now to launch another national rescue operation? The predicament of these houses is that it is impossible to predict their future with any accuracy. There is an unofficial list in existence but the worrying thing is that neither Calke Abbey nor Belton appeared on it.

Thrills and spills

The hottest video in the market today is not *Star Wars* or *Jaws* or even the umpteen episodes of *Dallas* (now purveyed by Guild Home Video). It's a 50-minute rag-bag of fact and fantasy called *The Making of Michael Jackson's Thriller* (Palace). Pop and rock videos are the experimental frontier-post of the cassette industry: 10- to 15-minute impromptus promoting single songs or LPs, in which successful directors (like John Landis or Alan Parker) can seize the chance to tinker with new visual ideas and under-employed directors (like our own Derek Jarman) can show that they damn well ought to be given a feature film to make. Like TV commercials, pop videos attract top talent because with so short a time-span to play with you need all the visual brio and expertise you can get.

Thriller is a 15-minute mock-horror fantasy built around Michael Jackson's song and album of that name and directed by John Landis (of *Animal House* and *Trading Places*). It's presented complete at the beginning of this tape, after which we're taken behind the scenes and shown how *Thriller* was made: From an explanation of the ingeniously ghoulish make-up effects by Rick (*American Werewolf in London*) Baker to the words and wisdoms of Jackson and Landis themselves.

The result is a footproof and highly entertaining combination. First you see the magician's act and then you see his secrets revealed. Film sets have been places of wonder to me ever since I first stumbled into one: namely Irwin Allen's *The Swarm*, in Hollywood 1975, where I watched Olivia de Havilland and Fred MacMurray being buffeted about in a studio train crash and then having squadrons of bees thrown at them.

Here too the labour pains are fascinating. In *Thriller* itself we see dancing Jackson and his *corps de zombies* doing a rock-stomp past a misty graveyard which slowly yields up its ghoulish dead. Then in Part 2 we see how it was all shot. And since graveyards in horror films constantly go in for these Oxford Street-style clearances it's gratifying to witness the behind-the-scenes work that goes into such a voluptuous [illegible]. "Now, zombie, now," says the assistant director, as a forehead pokes through the earth. "Come on out, Tony," cries Landis, as Tony, covered in Max Factor mildew, struggles to elevate himself into the fresh air.

Meanwhile make-up maestro Rick Baker is busy in another room, fitting up Michael Jackson with a latex werewolf mask placed over a set of inflatable bladders. These, when blown up, will make his jaw and cheek-bones dilate. Then giant yellow contact lenses are inserted in his eyes and he has to spend nine or 10 takes growling vigorously before the camera. Anyone supposing that a multi-millionaire pop star's life is easy should see this film. (Since making it, Mr Jackson has also burned all his hair off in an onstage accident with an electric guitar, so you may jettison even your last residue of envy.)

Jackson and Landis in interview are an amiable pair of knockabouts. Landis is

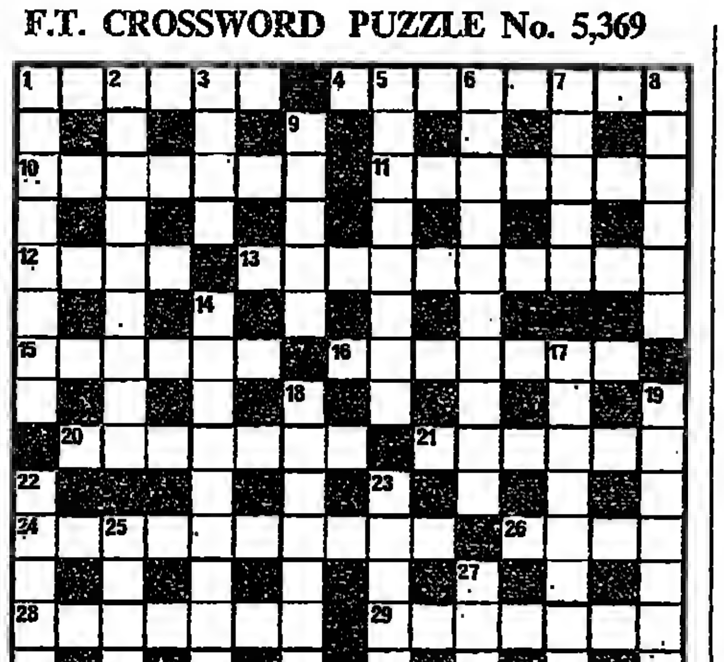
VIDEO
NIGEL ANDREWS

bearded and mid-30s with spectacles and, like a Wall Street executive with just a hint of werewolfery. Jackson is a pied piper with piping voice [illegible] changed since he was the [illegible] microdot in the Jackson Five. This video will [illegible] your friends and break [illegible] at parties [illegible] sampling.

For those who think it no longer possible to make high-class horror films in the age of the "nasties," let me commend *Death Line* (Rank), [illegible] man's imaginative [illegible] shocker with Donald Pleasence and Christopher Lee [illegible] ing spooky goings-on in London's Underground. A monster roams, crying "Mind the doors!" and chomping [illegible] less late-night traveller. The film is frightening, funny (but only when it wants to be) and stunningly lit, as if by Caravaggio.

Not so stunning is [illegible] sel and Gretel [illegible] *Who Slept Awake* [illegible]. But Ralph Richardson fans should definitely collar Sir R. rides [illegible] nonsense with incomparable making mischievous bravado more than ever.

F.T. CROSSWORD PUZZLE No. 5,369



A prize of £10 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10 Cannon Street, London EC4P 4BY. Winners and solution will be given next Saturday.

Name ....

Address ....

ACROSS
1 Preserve from predicament (6)
4 Offered security in investment (8)
10 A stylish timepiece (7)
11 Ons can't change something inborn (7)
12 Excursion and dance (4)
13 Amazed, and so is the organisation (10)
15 Apt to make jokes with no beginning, purely visual (6)
16 He rates as a timber producer (3-4)
20 Put on finery and rode out (7)
21 Ignorant and under a misconception (6)
24 Paintings of force (10)
26 Ring in which a lover invested? (4)
28 Royal symbols from Algeria (7)
29 It's not a strange form of 1 down (7)
30 Get hard ideas changed or reject them? (3,5)
31 It's written and enclosed (6)

DOWN
1 Office location (8)
2 Went on unnoticed perhaps (9)
3 Put down face up (4)
5 One type of clue used in the French game (8)
6 Sticking to principles, agree to include its reform (10)
7 Partly under water from waves caused by a passing vessel (5)
8 Makes better repairs under direction (6)
9 Disagreement on a question of colour? (5)
14 Safety rail adapted for the nursery? (5,5)
17 Face lift (9)
18 Two things a lodger may be given with the piano (8)
19 Was in contact when Joan died, perhaps (8)
22 Music of the twenties (6)
23 For bread as yet to be mixed (5)
25 A day-to-day occurrence (5)
27 Record is broken by the winner (4)

Solution to Puzzle No. 5,368

SOLUTION AND WINNERS OF PUZZLE NO. 5363

Mrs P. D. Hawker, 84 Little Bargate Street, Lincoln.

Mr P. P. Thomas, Westbury Travers, Tunstead Road, Hoveton, Norwich, Norfolk.

Mr M. Davenport, 66 The [illegible]

† Indicates programme in black and white.

BBC 1

6.20-8.25 Open University. 8.35 Godzilla (cartoon series). 9.00 Saturday Superstore. 12.12 pm Weather.
12.15 Grandstand, including 12.45 News; Football Focus (12.20); The Ladbroke University Boat Race (12.50), Oxford v Cambridge; Racing from Chepstow (1.30, 1.55, 2.30); Boxing (1.40) The best of the action from the Wembley bill earlier this week; Rugby Union Preview (2.10-2.40); Rugby Union (3.00) Scotland v France at Murrayfield; England v Wales at Twickenham; Cricket: Second Test (4.45) Highlights of the final day's play in the Second Test between Pakistan and England at Faisalabad; Final Score (4.50).
5.10 Anything Goes.
5.50 News.
6.00 Regional Variations.
6.05 Jim'll Fix It.
6.40 Comedy Classic: "Some Mothers Do 'Ave 'Em," starring Michael Crawford.
7.15 The Action Film: "Hannibal Brooks," starring Oliver Reed and Michael J. Pollard.
8.55 News and Sport.
9.10 Driving Ambition.
10.00 Wogan.
10.50 James Last in Tralee.
11.25 Late Night Horror: "The Mephisto Waltz," starring Alan Alda, Jacqueline Bisset and Barbara Parkins.

REGIONAL VARIATIONS

Wales—6.00-6.05 pm Sports News Wales.
Scotland—6.00-6.05 pm Scoreboard. 10.50-11.25 Sportscene: Football (Highlights from a 5th-round tie in the Scottish FA Cup) and Rugby (Highlights of today's match at Murrayfield between Scotland and France. 11.25-12.00 James Last in Tralee (as BBC1 10.50 pm).
Northern Ireland—5.00-5.10 pm Northern Ireland Results (opt-out from Grandstand). 6.00-6.05 Northern Ireland News. 10.50 St Patrick's Night, starring Dana and guests. 11.45 James Last in Tralee (as BBC1 10.50 pm). 12.20 am Northern Ireland News Headlines.
England—6.00-6.05 pm London—Sport; South-West (Plymouth)—Spotlight Sport; All other English Regions—Sport/Regional news.

BBC 2

6.25 am-2.45 pm Open University.
2.50 Rugby Union: England v Wales from Twickenham.
4.30 The Sky At Night.
4.50 Saturday Cinema: "The Importance of Being Earnest," starring Michael Redgrave, Michael Denison, Dorothy Tutin, Joan Greenwood, Edith Evans and Margaret Rutherford.
6.25 Open University: Modern Art—Pissarro.
6.50 Sight And Sound In Concert (simultaneous broadcast with Radio 1).
7.30 News and Sport.
7.50 Rugby Special: Highlights from today's internationals between Scotland and France and England and Wales.
8.55 Masterclass: Paul Tortelier.
9.40 The Light of Experience Revisited.
10.00 C. P. Snow's "Strangers and Brothers."
10.55 News On Two.
11.00-1.05 am Claude Chabrol's "Violette Noziere" (French film with English subtitles).

LONDON

6.25 am TV-am Breakfast Programme. 9.25 LWT Information. 9.30 The Smurfs. 10.00 The Spinning Wheel. 10.15 Cartoontime. 10.30 The Saturday Show.
12.15 pm World of Sport: 12.20 World Cup Ski-ing from Mount Whistler, British Columbia; 12.35 Figure Skating—World Championships Preview from Ottowa; 12.45 News: 12.50 On The Ball; 1.20 The ITV Seven—Greyhound racing from Harringay and horse racing from Newcastle and Lingfield (introduced by Gary Newbon from Harringay, John Oaksey from Lingfield and Derek Thompson from Newcastle); 3.10 Ice Hockey—Streatham v Dundee; 3.45 Half-time Soccer Round-up; 4.00 Wrestling; 4.45 Results.
5.00 News.
5.05 Fraggle Rock.
5.35 Whiz Kids.
6.30 Child's Play.
7.00 3-2-1.
8.00 T. J. Hooker.
9.00 News.
9.15 "Ashanti," starring Michael Caine, Peter Ustinov, Omar Sharif, Rex Harrison and William Holden.
11.25 London News Headlines followed by "? To 5."
11.55 Rock Concert: Sad Café at the New Victoria, London.

CHANNEL 4

1.45 pm Mothers By Daughters.
†2.25 "Arrowsmith," starring Ronald Colman.
4.10 Dr Seuss On The Loose.
4.35 Mama Malone.
5.05 Brookside.
6.00 Union World.
6.25 News Headlines followed by The Other Side Of The Tracks.
7.30 Basketball: The Wimpey Homes National Championships.
9.30 An Audience With Joan Rivers.
10.30 The Comic Strip Presents.
†11.10 "They Drive By Night," starring George Raft and Humphrey Bogart with Ann Sheridan and Ida Lupino.

S4C WALES
1.20 pm A Week in Politics. 2.00 Henry Cooper's Golden Belt. 2.55 Rygbi Rhyngwladol. †4.40 Coney Island. 5.05 Yr Awr Fawr. 6.05 The Incredible Hulk. 7.00 Ser. 7.30 Newyddion. 8.30 Treasure Hunt. 9.30 Y Maes Chwarae. 10.30 Arolwg. 11.00 Basketball.

REGIONS

IBA Regions as London except at the following times:—

ANGLIA
9.30 am Sesame Street. 11.25 pm Chaka Khan at the Roxy LA. 12.25 am Recipe for Happiness.

BORDER
9.25 am Vicky The Viking. 9.50 Once Upon a Time . . . Man. 10.15 The Smurfs. 11.25 pm The Fugitive.

CENTRAL
9.25 am The Wonderful World of Professor Kitzel. 9.30 Sesame Street. 11.25 pm Superstars of Music: Gloria Gaynor.

CHANNEL
9.25 Thunderbirds. 10.20 Puffin's Pla(i)ce. 12.14 pm Channel Islands Weather Summary. 5.05 Puffin's Pla(i)ce. 5.10 Fraggle Rock. 5.40 Whiz Kids. 11.25 Superstars of Music (Gloria Gaynor).

GRAMPIAN
9.30 am Noddy. 9.45 The Smurfs. 10.10 Falcon Island. 11.25 pm The Devlin Connection. 12.20 am Reflections.

GRANADA
9.25 am Sesame Street. 10.20 Cartoon. 11.25 pm Regan. 12.45 am Randy Edelman in Concert.

HTV
9.25 am Sesame Street. 10.25 Cartoon-time. 12.13 pm HTV News. 11.25 The Best of Saturday Night Live with Michael Palin.

SCOTTISH
9.25 am Cartoon Time. 9.35 Happy Days. 10.00 The Flying Kiwi. 10.25 The Santinilas Show. 11.25 pm Late Call. 11.30 The Saturday Night Music Show—Tina Turner in concert at Devil's Lake.

TSW
9.25 am The Wonderful Stories of Professor Kitzel. 9.30 Freeze Frame. 10.27 Gus Honeybun's Magic Birthdays. 12.12 pm TSW Regional News. 5.05 Newsport. 5.10 Fraggle Rock. 5.40 Whiz Kids. 11.25 Superstars of Music (Gloria Gaynor). 12.25 am Postscript.

TVS
9.25 am Wattoo Wattoo. 9.35 The Smurfs. 10.00 Mork and Mindy. 12.12 pm TVS Weather. 5.35 Knight Rider. 11.25 Jazz. 11.55 Comedy Tonight. 12.25 am Company.

TYNE TEES
9.25 am Morning Glory. 9.30 Sport Billy. 9.55 The Flying Kiwi. 10.25 TT Time. 12.13 pm North East News. 5.05 pm North East News. 5.07 Fraggle Rock. 5.40 Whiz Kids. 11.25 Journey to the Unknown. 12.25 am Post's Corner.

ULSTER
9.25 am Space 1999. 10.20 Cartoon Time. 12.48 pm Lunchtime News. 4.55 Ulster Sports Results. 5.08 Ulster News. 5.10 Fraggle Rock. 5.40 Whiz Kids. 9.14 Ulster Weather. 11.25 Makem and Clancy — The Music Makers.

YORKSHIRE
...9.25 am Regional Weather Forecast followed by Mcloloons. 9.35 The Flying Kiwi. 10.00 University Challenge. 12.10 am House Calls.

RADIO 1
(S) Stereo broadcast when on VHF
5.00 am Tony Blackburn's Saturday Show. 10.00 Dave Lee Travis. 1.10 pm Hitsville USA (S). 2.00 Paul Gambaccini (S). 4.00 Saturday Live (S). 6.30 In Concert (S). 6.50 Sight and Sound in Concert (S). 7.30 Janice Long. 10.00-12.00 Gary Davies.

RADIO 2
6.05 am David Jacobs (S). 10.00 Sounds of the 60s (S). 11.00 Album Time (continued on VHF only until 1.00 pm) (S). 12.30 pm Sport on 2: The 130th University Boat Race between Oxford and Cambridge; Rugby Union: commentary on England v Wales from Twickenham and Scotland v France from Murrayfield; Cricket: The final day's play in the 2nd Test between Pakistan and England; 5.00 Sports Report; 5.50 Racing results; 5.55 Pools news and results. 6.00 Folk on 2 with Cyril Tawney. 7.00 Jazz Score with chairman Peter Clayton. 7.30 Saturday Gala Night (S). (8.10-8.30 Interval with Benny Green.) 9.30 Knokke Cup (S). 10.02 Sports Desk. 10.05 National Rehearsal Band Competition (S). 11.00 Ken Bruce with his selection of music (S). 1.00 am Peter Dickson presents Nightride (S). 3.00-4.00 Wally Whyton with Country Concert (S.

BBC RADIO 3
8.00 am News. 8.05 Aubade (S). 9.00 News. 9.05 Record Review (S). 10.15 Stereo Release (S). 11.40 BBC Philharmonic Orchestra (S). 1.00 pm News. 1.05 Wolfgang Manz (S). 2.00 Dreamers of Dreams (S. 4.00 Baroque Recorder Music (S). 4.30 Brahms Violin Sonatas (S). 5.00 Jazz Record Requests (S). 5.45 Critics' Forum. 6.35 Through a Beloved Country (S). 7.45 Tchaikovsky from the Barbican Hall, London, part 1: Mischa Maisky, Yuri Simonov (S). 8.30 City Faces. 8.50 Tchaikovsky, part 2 (S. 10.00 Scriabin (S). 10.40 She Used to Like Waltzes (a short story by Jack Trevor Story). 10.50 Lassus (S). 11.15-11.18 News.

BBC RADIO 4
7.00 News. 7.10 Today's Papers. 7.15 On Your Farm. 7.45 In Perspective. 7.50 It's a Bargain. 7.55 Weather; Travel; Programme News. 8.00 News. 8.10 Today's Papers. 8.15 Sport on 4. 8.48 Yesterday in Parliament. 8.57 Weather; Travel. 9.00 News. 9.05 Breakaway. 9.50 News Stand. 10.05 The Week in Westminster. 10.30 Daily Service (S). 10.45 Pick of the Week (S). 11.35 From Our Own Correspondent. 12.00 News; Money Box looks at how the Budget will affect you. 12.27 The News Quiz (S. 12.55 Weather. 1.00 News. 1.10 Any Questions? from Loughton, Essex. 1.55 Shipping Forecast. 2.00 News. 2.05 Thirty-Minute Theatre (S). 2.35 Medicine Now. 3.05 Wildlife. 3.30 Home-ing In. 4.00 News; Radio News Special Report. 4.30 Does He Take Sugar? 5.00 The Chip Shop (S). 5.25 Week Ending (S). 5.50 Shipping Forecast. 5.55 Weather; Travel; Programme News. 6.00 News; Sports Round-Up. 6.25 Desert Island Discs (S). 7.05 Stop the Week with Robert Robinson (S. 7.45 Baker's Dozen (S. 8.30 Saturday Night Theatre: "Inspector Ghote Hunts the Peacock" by Geoffrey M. Matthews, based on the novel by H. R. F. Keating (S). 9.58 Weather. 10.00 Kaleidoscope in Ireland. 11.00 Lighten Our Darkness. 11.15 Animal Language (S). 11.45 Angus McDermid in the BBC Sound Archives. 12.00 News.

CHESS SOLUTIONS

Solution to Position No. 507

1 B-Q1, P=N ch (if P=Q; 2 B-Q8 ch mates); 2 K-N1! (not 2 K-N2, N-K6 ch; 3 BxN stalemate), N-N6; 3 K-N2, N-K5; 4 B-Q3 ch, N-N4; 5 K-B2! and Black loses his knight.

Solution to Problem No. 507

1 R-QR4, P-B4; 2 B-N7, P-B5; 3 R-R5 mate, or if 1 . . . P-B3; [illegible]

Quick and easy on the motorway

MOTORING

STUART MARSHALL

IF I am reading the signs correctly, there is at least a sporting chance that the existing 70 mph motorway speed limit could go up to 80 mph within the foreseeable future.

The Department of Transport has just published the results of a speed survey which show that existing limits are being widely ignored, especially on motorways. And the Association of Chief Police Officers Traffic Committee has advocated an 80 mph motorway limit.

In its first speed survey since 1977, the DoT checked traffic at open road sites, free from restrictions except the normal maximum speed limits. In other words, exactly the kind of roads where police forces set up radar traps in the certain knowledge they will make a lot of money for their paymasters, as many readers of this column have found to their cost.

The department says that the speeds measured at these points represented desired driving speeds. Those obtained on motorways were significant. The average speed of cars was 68 mph. Forty per cent were exceeding 70 mph and 15 per cent were going faster than 79 per cent. In short, they confirm what any regular motorway user already knows—the enforcement of the 70 mph motorway limit has become a dead letter. Only when you are exceeding 80 mph is there much likelihood of being stopped and summoned.

In a letter to the editor of a national newspaper, Mr Roger Birch, chairman of the Association of Chief Police Officers Traffic Committee, spoke for many motorists when he said that frustration caused by bunching and poor lane discipline was a major factor in motorway accidents. It was important that all speed limits—not just those on motorways—were realistic and appeared reasonable in the eyes of the average motorist. "If they are not they will be largely ignored. In these circumstances, effective enforcement can only be achieved by a massive and disproportionate effort." I could not have put it better myself.

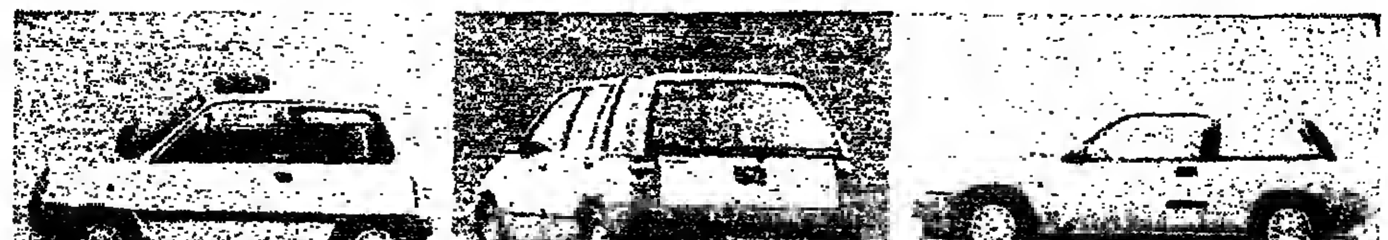
Justifying the association's belief that road safety interests would be advanced by raising the speed limit for cars on motorways to 80 mph, Mr Birch went on: "... if it is considered safe to travel at 70 mph on dual carriageways . . . surely the additional 10 mph on motorways is not unreasonable." Raising the limit would help separate drivers who at present drove too close, or in some other way dangerously, in response to the frustration caused by bunching.

When he wrote of driving "in some other way dangerously" Mr Birch must have had in mind the growing habit of overtaking on the near side that one sees on bunched-up motorways. It is, of course, illegal (if occasionally understandable when some 60 mph fast lane-hogger won't move over) and may actually aggravate the bunching problem. It certainly does in the U.S., where the limit is 55 mph and overtaking on either side is allowed. There, the motorways resemble conveyor belts.

The deadly boredom of 55 mph (or thereabouts) is bad enough. What makes it worse is the bunching that arises partly from the low speed limit but also from the U.S. driver's ability to overtake on either side. If you try to keep a reasonable distance from the car in front, more often than not another car will come up and fill the gap. Tail-gating on greasy roads is emphatically not a good idea, but if you slow down to increase the gap you only cause more bunching further back.

The ideal—advocated by a number of readers with whom I totally agree—would be an advisory limit of 80 mph on motorways but no maximum speed restriction at all. I still cannot see why 120 mph in, say, an Audi 200 Turbo is necessarily safe and legal in Germany but so unsafe and illegal in Britain that to be caught doing it almost inevitably leads to loss of licence.

German lane discipline, I have to admit, is much better than ours. It's probably a consequence of the higher speeds indulged in on the autobahn, as well as the national characteristic.



HONDA'S Spring offensive broke in Britain this week with the introduction of three new versions of the best-selling Civic and the belated arrival of "Jazz," Honda's just over 11 ft long minicar. The three new Civics—first seen at Frankfurt Show last September—are remodelled de luxe and sports variants of the 3-door hatchback; a fuel-injected CRX coupé version; and a tall, roomy Shuttle estate. All have 12-valve, four-cylinder engines of between 1,342 cc and 1,488 cc capacity, five-speed gearboxes and rack and pinion steering. Prices range from £4,540 (manual Civic de luxe) to £6,950 for the quick and sporting CRX. The Civic hatchbacks should be in showrooms now; the CRX coupé and Shuttle will be here in the immediate future. The £4,315 Jazz could be called a tall, thin Mini. High front seats and large side doors make it exceptionally easy to enter and leave and the hatchback goes right down to the back bumper for easy loading. How do they go? I wish I could tell you. Honda has launched them all in Britain without any kind of press introduction, indicating confidence in the product, a lot of advance orders from satisfied Civic owners, or both. The Jazz also has a five-speed gearbox as standard (I do hope they are listening at Austin-Rover) and it has already become a cult car in Japan, where it can be had with a turbocharger. The Accord for 1984 has a new nose and a choice of 1.6 or 1.8 litre engines in 3-door hatchback or 4-door saloon bodywork at prices from £6,120. Only minor changes have been made to the Prelude 2+2 coupé, among them a flasher that raises the pop-up headlamps and a torque converter lock-up for the automatic transmission to improve cruising-speed fuel consumption. Prelude prices range from £6,950 (manual de luxe) to £9,300 for the automatic Executive model with ABS anti-lock braking. Pictures show (left to right) the new Civic hatchback, the Jazz minicar and Civic Shuttle Estate.

Fascination of magic lanterns

COLLECTING

JANET MARSH

WHAT IS THE MAGIC of magic lanterns? A week or so ago I happened into Pollocks' Toy Museum in Scala Street, just when a very young and serious man was presenting a magic lantern show in the upper room which is generally given over to stage productions in miniature.

The audience was mostly of under-12s, for whom the marvels of television would be old hat; but they were mesmerised by the naïve images and elementary animation of these Victorian lantern slides; an old lady in a bonnet whose nose grew phenomenally long, and an old gentleman peacefully snoring in his bed while mice climbed up the sheets and vanished into his open mouth.

No one quite knows when the magic lantern first existed; its most primitive origins were band-shadow pictures cast by a fire on cave walls.

The first description of a magic lantern was published in 1671 by a Jesuit scientist, Anthanasia Kircher. His book, *Ars Magna Lucis et Umbrae*, even illustrated a lantern, though it did not look as if it would work very well, since the only illuminant was a feeble little oil lamp.

A few lanterns and slides from the 17th and early 18th centuries survive in museums, but they are unlikely to come the way of the present-day collector, who will be very lucky to find examples from as early as the first quarter of the 19th century.

Dating can be a considerable problem with magic lanterns. A simple black-japanned specimen can look considerably more antique than it really is, particularly if it has suffered a few accidental conflagrations in its lifetime.

The form of illuminant can provide some clue. Colza oil lamps were the most sophisticated available light source available until the third quarter of the 19th century. From the 1880s paraffin lamps were most frequently used, and persisted long after electric lighting was available.

These, of course, were lanterns for home use. With the great age of the professional lanternist, in the 1880s and 1890s came much more sophisticated and powerful illuminants: the limelight jet, and the oxy-ether and oxy-carbon lights, which involved elaborate apparatus, cylinders of compressed gas and thrilling possibilities of explosion. The English opticians were supreme for this kind of professional apparatus. The best and most desirable lanterns from the turn of the century are superbly finished in gleaming mahogany and brass, with lenses of the finest quality.

Lantern entertainments at this period, more or less contemporary with the beginning of the cinema, could be very sophisticated, using double, triple and even quadruple lanterns to produce elaborate effects through superimposition of several images.

While the more serious collector will probably concentrate on such high-class professional apparatus, there is a lot of charm in the toy lanterns imported in tens of thousands from Germany between the 1870s and the 1920s, varying very little throughout that period. They came in a variety of sizes, neatly packaged in wooden boxes and complete with a set of crude printed slides, and instructions in quaint pidgin English.

Lantern slides are a collecting field in themselves, though they are much more fun if you have a lantern to protect them. Although lanterns from the period are rare, it is quite often possible to find slides from the 1830s or 1840s. Again there is the problem of dating. The traditional subjects and styles were persistent: right up to the Second World War the Cruikshankian caricatures of mid-nineteenth century joke slides were still being produced.

The slides illustrated by Kircher in 1671 were long rectangular slips of glass bearing several pictures which could be slid in turn between the lamp and the lens. This type continued until well into the nineteenth century, when it became usual to have a single image, supported in a mahogany frame.

About the middle of the century, slides became more elaborate with the introduction of mechanical devices—levers, sliding glasses and ratchets—to introduce an impression of movement. The idea of the cinematograph was already in the air.

Towards the end of the century slides adopted a uniform 4 in x 4 in format. They were in tape-bound glass and often came in boxed sets with a printed narrative or lecture to accompany the performance.

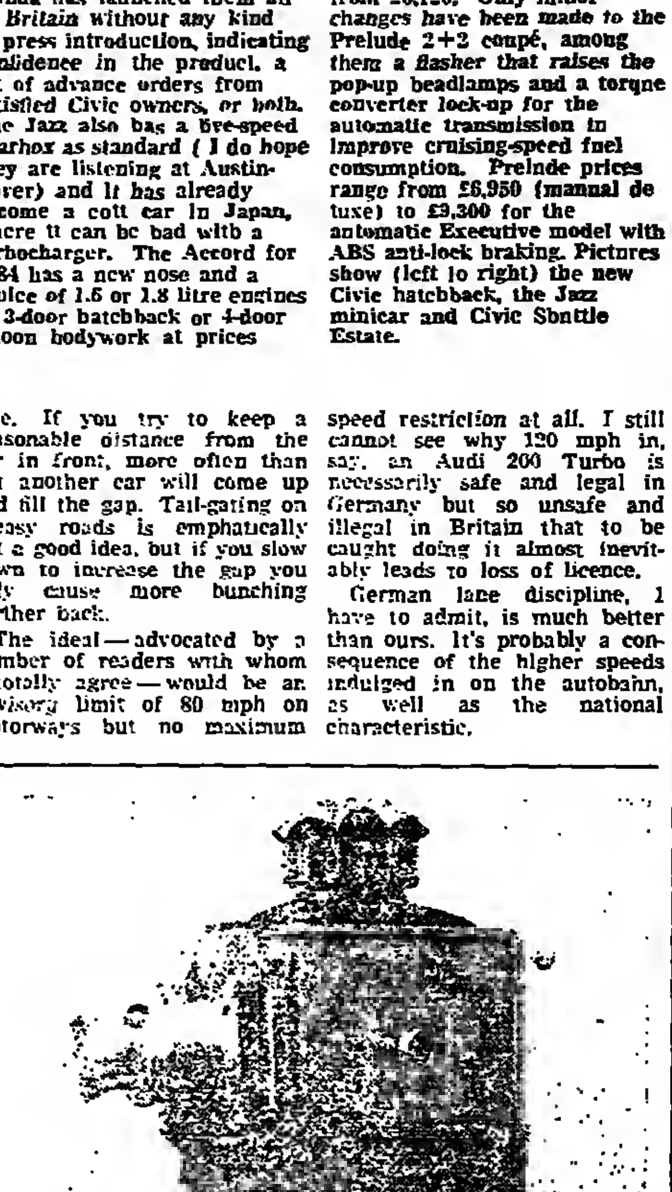
An essential ancillary to any lantern collection must be the handbooks and catalogues that were issued in great variety and number. The classic among them, T. C. Hepworth's *The Book of the Lantern* ran into many editions after its first publication in 1888. There was even a monthly magazine for enthusiasts, *The Optical Magic Lantern Journal*, which began publication about the same time.

The later history of this journal (copies of which are now hard to find) exemplifies the fate of the magic lantern. Its name changed in turn to *The Optical Magic Lantern and Kinematograph Weekly* and then to *Kinematograph Weekly* and was subsequently absorbed into *Today's Cinema* which, now transformed to *Cinema and Television Today*, still survives as the trade paper of British film making.

Not that the magic lantern died. It simply moved into the present day as the slide projector.

Magic lanterns are a field for a wide range of investment. An elaborate triple lantern like the one illustrated could cost as much as £500; but it is still possible to buy a serviceable tin lantern body to adapt to practical use for under £20.

Slides, too can vary from three-figure sums for the rarest mechanical variety to between £5 and £15 for more conventional mechanical slides and very much less for early twentieth-century 4 in x 4 in glass slides.



English triunial lantern c. 1890

Perennial pleasure

GARDENING

ARTHUR HELLYER

MARCH AND April are the best months for planting almost all hardy herbaceous perennials especially if they have to be lifted from the ground and possibly divided to prevent them growing too large and starving themselves in the process.

Some perennials do this more rapidly than others, many of the daisy tribe being notorious for their ability to make dense clumps so rapidly that it may even be desirable to lift, divide and replant annually.

This is certainly true of michaelmas daisies which produce their finest flowers if young outside pieces of year-old clumps, detached with healthy young roots, are replanted every spring. Several such pieces can be grouped together about eight inches apart to make a good display by flowering time in August and September.

Michaelmas daisies have not had much publicity in recent years partly because no nurserymen are proud containing varieties on any scale but also because michaelmas daisies acquired a bad name when they began to be quite seriously attacked by a mite which aborted the flowers and stunted growth.

A friend of mine who has kept on growing michaelmas daisies and raising new varieties throughout these difficult years tells me that he has at last got the mite under control with Tumblebug a proprietory insecticide containing both permethrin and heptenophos. I hope that this good news gets passed around quickly for, with the mite under control this excellent plant would soon recover its place in gardens.

The lean years have thinned out the selection of varieties available but most of the really good ones remain. In this category I place Aster Frikartii in either of its two very similar varieties Wonder of Staffa and Monarch Corr????? semi-double and rose; Marie Ballard, double light blue; Fellowship, large flowered and pink and Blandie, semi-double and white.

It is also still possible to get the very old variety Climax which grows six feet tall and has large loose sprays of single light blue flowers. It is immensely vigorous and must be kept severely in hand but there has never been another michaelmas daisy like it and, where there is room for a large plant, it is superb.

The herbaceous phlox has also had less of the limelight these past few years than it used to enjoy in its heyday in mid-century. Then a lot of breeding was going on, new varieties were being introduced every year and interest in this fine August-September perennial was maintained by exhibits, articles and advertising.

Then the breeders died or went out of business, demand flagged and attacks by eelworms weakened many stocks. It is still important to buy eelworm-free plants and so avoid introducing this insidious pest into one's garden, but that should not be difficult since the eelworm lives in the stems and so if phloxes are increased by root cuttings the eelworms are left behind.

The lists of varieties offered by nurserymen are much shorter than they used to be but Brigadier, which I have long regarded as the best bright red variety, is still available. So is Border Gem, my first choice as a deep violet purple phlox. Others that are excellent are Eventide, light lilac blue; Prince of Orange, orange-salmon; and White Admiral, white.

Delphiniums have also been through a period of change, partly due to the disappearance of some of the old professional breeders and their replacement by enthusiastic amateurs whose introductions do not always reach the general market. At the same time many nurserymen have turned to seedling strains some of which are now of excellent quality though they do not equal the best vegetatively propagated varieties.

Good ones among the latter are Blue Nile and Loch Nevis, both mid-blue with white eye; Butterball and Cream Cracker, both cream with yellow eye; Fanfare, silvery mauve; Lord Butler, Cambridge blue with white eye; Olive Poppleton, white with honey-coloured eye; Sandpiper, white with brown eye; Silver Moon, mauve with white eye; and Strawberry Fair, mulberry rose.

Among seed strains Pacific Hybrids are the only ones to offer a range of separate colours. Astolat gives all pink shades; Black Night, deep blue with black eye; Blue Jay, mid-blue with white eye; Cameliard, lavender with white eye; and Galahad, white. A mixture of all these colours is also available. Blue Fountains, despite its name, is a mixture of colours on short plants 3 ft or less in height.

Blue Heaven is an all-blue selection from Blue Fountains and Blackmore and Langdon strain is also a mixture of colours from one of the oldest and most respected delphinium specialists. All these can be purchased now as seed to give flowering plants next year and several of them are also available as plants to flower this summer.

It is time that kniphofias staged a comeback. At one time they suffered from a soft rot that destroyed many stocks, but I have seen no sign of this on Atlanta, a wonderfully robust plant which produces its red and yellow pokers in June, very early in the kniphofia season. Samuel's Sensation brings the season to a spectacular close in September-October with vivid orange-red flowers on five foot stems, and in between there are numerous varieties including the dainty Little Maid with ivory white pokers on 18-inch stems.

But such named varieties may still be rather hard to find. Many nurserymen now offer mixed hybrids raised from seed and the best of these can be very good. Ideally one should see them in flower before purchasing or at least know the name of the strain from which they were raised.

Michael Donne on the Tideway

Test for Oxford

OXFORD go to the stake-boats for this year's Boat Race as the favourites to win their ninth victory in a row. If they can pull it off, they will equal their previous best performances of nine in a row from 1861 to 1869 and again from 1890 to 1898, but Cambridge still hold the all-time record of 13 wins in a row from 1924 to 1936.

Oxford have much on their side: the psychology of a winning tradition, five victorious Old Blues in their boat, a heavier crew overall (by an average of 11 lbs a man) and, despite some disappointing outings on the Tideway in final training, an overall better performance in the run-up to the race. Oxford's only serious danger is over-confidence.

Cambridge, on the other hand, have four Old Blues, but without the winning streak. They have nevertheless put in some impressive work on the Tideway this week, despite some illness in the crew, and they are determined to crack that winning Oxford run if they possibly can.

But determination, guts and fitness alone, although essential, do not win Boat Races on the Tideway. What makes the race such a unique event in the world rowing calendar is the sheer unpredictability of a course that covers over four miles of some of the most difficult water in the world. Over a straight international course of 1,000 to 2,000 metres, the odds would undeniably be in Oxford's favour but with the Tideway, the shifts in the direction of the course, which make the choice of station so vitally important, and the weather itself on the day, can make nonsense of predictions.

If the weather is calm and smiling, the wind and stream gentle, and if Cambridge can win the toss, take the Surrey station, and go all out from the start so as to be in front by the end of the Fulham Wall, and stay there round that great Surrey bend—which is easily worth a length to the crew on the inside station—they could still win, despite their disadvantages.

Tactics also play a significant part in a race that is the longest of its kind in the world. Victories that in the past have appeared to be in the bag have been thrown away by foolishness—such as going too far downstream in the pre-race warm-up, wasting valuable energy and shipping too much water before the start, quite apart from making the wrong choice of station on winning the toss.

All these are tactics which one would expect the more experienced Oxford crew to avoid. Given commensense, and a bit of luck with the toss to get the Surrey station, I would expect Oxford to pull off their ninth win in a row by a reasonable margin. But it will not be a walkover. Oxford will have to work hard all the way.

Peter Robbins on today's Rugby

Wales's chance

THE HOME Rugby Union championship ends today as Scotland face France for the Grand Slam and England and Wales vie for third and fourth places above the hapless Ireland.

After the dizzy euphoria of the November win over New Zealand, England's performances have steadily deteriorated. So many times I have wondered whether some of the players are unfit or stale.

The squad sessions have been concentrated, but on the evidence so far one is driven to several conclusions. First that England's approach has been too restricted—but it may be that there is the basic lack of talent in key positions to play otherwise or that the selectors and particularly the coach Richard Greenwood, have decided the strategy and the tactics. They have looked like nrogramed players except for a few moments of light in the match against Ireland.

But the selectors have not been helped by injuries to several players who might have been chosen—Huw Davies, Nigel Melville, Simon Halliday, Jim Sydall and the much missed Paul Dodge.

The dilemma that faced the selectors earlier this week was how much surgery to do. It was widely felt, after the dismal performance in Paris, that the long knives would be out. Many of the players today have been picked *faute de mieux*. The thinking of the selectors is questionable but understandable.

But for the injury problems there could easily have been several players dropped after the Paris débâcle. Instead just White and Hall secede in favour of Rendall and Dun.

I have not seen Don this season and cannot comment on the wisdom of his selection but he faces a daunting prospect not just against Wales in general but Holmes in particular.

I find it extraordinary that Cooke, the Harlequins captain, is left out. Except for Winterbottom, England sadly lacked pace in Paris. Winterbottom is incredibly quick around the field but has still yet to satisfy his critics as to his co-ordination with the ball in his hand.

Scott, for all his physical presence, was utterly anonymous and is probably picked today because he knows Holmes's game so well.

Where have England got to improve to have any chance of beating Wales? Primarily in speed to the breakdown and much more constructive use of the possession they win. And much better catching at the line-out and better protection for Bainbridge and Colcough by Rendall and Blakeway. Norster and Perkins will gladly plunder any 50-50 ball.

Alarmingly enough, for England, Wales have now settled on their best pack after initial mistakes and also Holmes is back at scrum half. Not only will his presence be a bonus in tactical terms, but he gives the others a tremendous boost in confidence. He is astute enough to know not to overdo his powerful running from the scrum which will pressurise Scott and Dun.

I think the forward struggle will be pretty equal and therefore the roles of Dacey and Holmes vis a vis Youngs and Cusworth become vital. Dacey, if fit, must be expected to make Hare reach for the ball but it is Davies' incursions into the line that I fear most. He has improved at every showing and if he gets either Titley or Hadley away, England will be in a load of trouble.

As it is, acknowledging the fact that they were rather unlucky to lose to France Wales should just have the edge.

A prognosis for the other match is a difficult and different matter, because both teams are so similar.

England beat France up front in the set scrum but not convincingly and it is here that Scotland will want to concentrate their considerable strength. The advantage that Scotland have is that their back row, Calder, Leslie and Paxton, all match Rives, Erbani and Joinel for speed and determination.

Scotland have been outstanding in their rucking this season and they will place great emphasis on this to drive the French back and to pin their loose forwards in. Scotland may not find line-out possession as copious at the back of the line-out but whatever they win from any phase I am certain that Rutherford will kick early on into that no man's land between fullback and the threequarters.

He must then depend on his forwards getting to the ball quickly. The game could be swayed by Rutherford who apart from his lapses at Cardiff has kicked superbly this season.

All seems set for a sparkling game and a fine end to the season by these two countries. If France get on top early on, they could be unstoppable, but Scotland with home advantage and a fervent crowd behind them and in sight of the ultimate prize, could cause surprise and delight everybody. I think they will just about make it.

FINANCIAL TIMES
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Saturday March 17 1984

Animal spirits

NOBODY can say it is an entirely irrational world: the Chancellor has, after all, introduced precisely the radical reform of company taxation which we have been urging in these columns. All the same, it is not entirely rational. Neither he nor we were expecting this change to be the cause of unrestrained celebration. After all, the abolition of capital allowances will barely be balanced by the large cut in mainstream corporation tax. And manufacturing industry, which uses the most capital, will undoubtedly end up paying more. Yet the FT 30-share index, which represents this sector, has risen almost vertically since the announcement.

In a nation which has grown so used to tax-avoidance (politely called tax efficiency) as a way of life, it is not quite the reaction you might have forecast; but there is sound calculation behind it. The abolition of the investment income surcharge is a side-issue: rich personal investors do not muster enough weight to dominate the market.

What the market is celebrating is that companies will be more inclined to pay profits as dividends rather than invest in plant—the result which the Opposition has been bewailing—and since we are not only a nation of tax-dodgers, but have been brought up to believe almost religiously that investment is a Good Thing, this *may* seem a selfish celebration. We would argue, on the contrary, that what is good for the stock market is probably good for the country.

Capacity

Consider first that an increased flow of dividends will make possible a considerable boost to consumer incomes—and notably to the incomes of ordinary pensioners, who may hope for some compensation for the erosion of their incomes by inflation in recent years. This is itself a form of reflation.

There is nothing to suggest that British industry cannot meet its share of this increased demand without strain. It is not only official figures for capacity utilisation and the CBI industrial surveys which show this, but also figures for the British capital stock.

We have discussed this matter of capital productivity before, on figures from a private analyst. We have now received the Treasury's calculations of the international comparisons, and the results are striking. The British worker, so often described as under-equipped, apparently has more capital equipment available to him than in most other industrial countries. But in our major competitors such as the U.S., Germany and France, manufacturers get between two and three times the output from each unit of capital. This is bigger than the gap in labour productivity, which we are closing at quite a pace.

Why, then, are we so obsessed with labour productivity in this country? One reason—which is completely out of date—is full employment. When employment was full, we could grow only as fast as the combined growth of the labour force and productivity; but we could now grow for several years at the Chancellor's 3 per cent without running short of labour, even with no further productivity growth. If productivity goes on rising, even slowly, this is yesterday's problem.

The other reason for worrying about productivity is wage pressure, and here there is still concern, as Mr Lawson pointed out in his speech. If earnings do not keep in reasonable touch with productivity—as they have for two years — inflationary pressures will cramp real growth. That is a message which cannot be driven home too hard—even if, as in the coalfields, it meets violent resistance. Closing worn-out pits is, it should be remembered, at heart a productivity exercise.

Standstill

However, the new tax regime should, before long, make managements devote their attention to a new topic—the productivity of capital. After all, they *will* be paying for capital equipment in future with their own money, not ours. Here the figures we have quoted show something of what we could potentially achieve. Even allowing for misleading figures, ill-chosen and out-of-date equipment and the rest, it must be possible to raise output by at least half from existing capital stock. We could double it and still have capacity to spare.

What this means is that in many cases, it will pay to hire more workers and work extra shifts rather than build duplicate capacity. This means a hope of lower unemployment, which would suddenly make it quite comfortable to live with a standstill in real public spending. It means higher consumer incomes without potentially inflationary wage increases; and it could mean much higher profits, which would stimulate growth and provide a cushion to absorb remaining inflationary pressures.

The market has probably not worked all this out. It has seen that we have a Chancellor who is ready to be radical, knows where he is going, and is taking a gamble that our business leaders will use their freedom productively: and that has cheered business leaders no end. It is what John Maynard Keynes called animal spirits—which he identified as the real elixir of economic life.

The Masseys fight it out

By Clive Wolman

THE telephone was ringing as I reached home on Tuesday evening after the Budget. I picked up the receiver to hear a mixture of shouting and squealing in the background, and then the rasping voice of Rebecca Massey.

"Are you still interested in buying our house?—because if you are, can you come over straight away?"

"Yes, I'll come," I replied, without thinking through the dangers lurking in that course of action.

For months my own plans had been disrupted by the ups and downs of the battle between Rebecca, who wanted to move house, and her husband George, who wanted to stay put. But I decided it would be worth going over anyway to hear the reactions to the Budget of George, recently promoted to be finance director of a small company, Greasy Widgets, whose fortunes were last discussed in these columns a year ago.

As I walked up the garden path, the door was flung open and I was greeted by George holding a wailing child. George was a tiny man, barely over five feet, with a ruddy complexion, fuzzy black hair and thick black glasses which he kept pulling off his face to wipe away the beads of perspiration.

"I'm sorry if Rebecca brought you over here on a wild-goose chase. I don't know what she was playing at, but we're very glad to see you again," he said at his usual breathless helter-skelter speed. "Come into the lounge and sit down, if you can find your way around all these pieces of paper."

A mass of grim-looking legal documents were strewn all over the floor. "These are all the machinery and equipment purchasing deals I've managed to put together over the past week to beat the Budget's cut in capital allowances," he explained proudly. "We've spent more money today than we have in the whole of the past year."

He leant over to confide in me. "Because we've been one of the few unquoted companies clued up on exploiting the tax breaks under the business expansion scheme, we've got so much money in from investors we didn't really know what to do with it. And," he said, pulling himself up, "I'm sure we'll be able to use all the machinery once we get into full production of our miniature, self-inserting underwater screw powered by a magneto-hydro-dynamic solar panel. It's the latest in technology—none of this smoke-stack stuff, you know."

He slumped into his armchair. "I hope it's all been worthwhile. Once again we're going to pay no corporation tax—yet another defeat for the taxman," he said, winking.

"So you're not going to move house after all?" I asked.

"Oh no, we're just going to build on an extension with an extra bedroom and nursery. Now that Barbara has arrived we can't have her sleeping forever in the same room as David." His voice trailed away as Rebecca walked into the room and sat down at the table. She was a thin, humourless and intense woman.

After all three of us had sat in an awkward silence for a few minutes, she beckoned to George and the two of them brought in a meal of chicken and chips from the kitchen. George asked me to join them at the table. Rebecca apologised for the Kentucky fried chicken. "But George insisted that we have our last VAT-free take-away meal tonight," she said.

There was another silence as we ate and George coughed. "Look, my dear, I know the Budget has halved stamp duty. But we don't have enough money to buy the house in Honeysuckle Close. And anyway, I don't think our guest is all that keen on buying this place."

I focused my gaze through the window on a lamp-post in the street outside and said nothing. George started chewing his chicken bones ravenously and sucking out the marrow. After another pause, he resumed his torrent.

"In some ways, the Budget is a very bad one for us. I'm not going to get any reduction in my tax for the five weeks I spend every year in the U.S. And you can't continue to claim all that money off your tax bill because you're the daughter of a Dutchman."

Rebecca was brought over to England from Holland as an infant shortly after the Second World War. As a foreign domicile, she had been able to claim a 25 per cent deduction in the taxable portion of her salary from a part-time job as an accountancy clerk at George's office. This was possible because her salary was paid by an offshore-based company, Greasy Widgets (Jersey) Ltd. But now this relief had been removed by the Chancellor.

Rebecca meanwhile had reached for a pad of paper on which she had been making notes during the Budget speech. She had been doing her homework thoroughly. "What about the rise in the tax thresholds and the abolition of the investment income surcharge?" she asked.

George raised his eyebrows and made an elongated and patronising "um" of approval. "Since you're so knowledgeable on tax matters," he said, glowing red, "why have you made us pay the surcharge for the last four years by putting all your money into building societies and high-yielding unit trusts when you know that your investment income has to be added on to mine?

HOW THEY DID THEIR SUMS

	Pre Budget 1983/84 £	Post Budget 1984-85 £
HUSBAND		
Salary	30,000	30,000
Benefit-in-kind: Car	975	1,125
Fuel	650	750
Total emoluments	31,625	31,875
Relief for duties performed outside UK emoluments × 36/365 × 25%	(779)	× 12½% (392)
	30,846	31,483
Investment income	1,000	1,000
Wife's investment income	12,000	12,000
	43,846	44,483
Mortgage interest relief	(3,375)	(—)
Business expansion relief	(1,000)	(Nil)
Personal allowance	(2,795)	(2,005)
Taxable income	36,676	42,478
Income as above	43,000	43,000
National Insurance (contracted out maximum)	(873)	(928)
Tax thereon	(16,169)	(17,434)
	25,958	24,638
Mortgage interest payments	(3,375)	(2,362)
Business expansion payments	(1,000)	(—)
Approved savings related share option payments	(600)	(1,200)
Life assurance premiums (net of tax relief)	(3,130)	(3,130)
Balance disposable income of husband plus wife's investment income	17,853	17,946
WIFE		
Salary	5,000	5,000
Foreign emoluments deduction	(1,250)	(—)
	3,750	5,000
Wife's earnings allowance	(1,785)	(2,005)
Taxable income	1,965	2,995
Income as above	5,000	5,000
National Insurance (contracted in)	(450)	(450)
Tax thereon	(589)	(898)
Disposable income from wife's earnings	3,961	3,652
Combined disposable income remaining	21,814	21,598

Source: Spicer and Pegler

"Why have you insisted on being taxed separately on your wages? All the money you've made us hand over as a gift to the taxman, we could have used to buy the house."

I pushed my chair back from the table instinctively as the battle heated up. George continued with barely a pause. "But at least I've got some of our money back from the tax man by taking out all those life policies before the Budget. That was superb planning. The only trouble is that now we'll have to pay an extra £3,000 a year in premiums."

Rebecca looked up and spoke quietly. "Well, you're wrong. We can put that extra £3,000 towards the house, as you have no extra insurance policies. You see, George, I never posted your policy application forms. I just put them in the bin."

By now George had stopped churning the chicken bones in his mouth and his face had turned from a deep red to a pale white.

"I'm fed up with all your clever, clever tax schemes," Rebecca said. "All you do is waste everybody's time and in the end all the rest of us have to pay the taxes that you dodge."

At this stage, Rebecca and I felt the force of a shower of chicken - bone fragments, as George exploded.

"Are you trying to tell me that if I give more money to the Revenue they will actually spend it on any useful purpose?" he shouted. "Did any worthwhile cause suffer when John Hampden refused to pay ship money to Charles I? Did anyone worthwhile suffer when Wat Tyler refused to pay the poll tax for his daughter? He at least defended his family from the taxman — you've betrayed us."

Now, I thought, was a suitable moment for a reconciliation attempt. "Why don't you work out exactly how the Budget is going to *affect* you, item by item, and then you can decide whether you can afford the house in Honeysuckle Close?" I suggested.

George grunted something about being tricked. "Even if you've lost the extra life assurance policies, the Budget leaves you with plenty of other tax breaks," I pointed out. "There's the business expansion scheme and the extra relief on *share options in your own* company."

George thought for a moment. "I'm not going to touch the BES any more, now that they've taken away investment in farming. Investing in other small companies is far too risky a way of making money at the expense of the taxman.

"But share options are a different matter. I'm sure that Greasy Widgets is going to do well and the options will become very valuable."

His enthusiasm was returning. He agreed that instead of investing £1,000 before tax relief in a company under the business expansion scheme, as he had last year, he would exploit to the full the higher limits on employee contributions to an approved tax-sheltered savings-related share option scheme in his own company.

By now Rebecca was becoming impatient. "George and I agreed yesterday that if the Budget was a good one for us, we would use the extra money to go to buy the house instead of building on an extension. George, will you please stop messing around and work out whether it's a good Budget or a bad one?"

We slowly went through the list. George's salary was not being increased but his Rover 2600 would be taxed more heavily as would the fuel he put in it *using his company* credit card.

Rebecca's salary, too, would be unchanged. We assumed also that on average through the year building society interest rates would remain about the same, both on Rebecca's savings and on the £30,000 endowment mortgage the couple had taken out to buy their house so as to obtain the maximum tax relief.

However, the tax on George's salary would go up because of the reduced relief for his period working in the U.S. And the deduction from the salary of Rebecca, as a non-domicile, would be abolished. When George got out his pocket calculator, however, we discovered that this measure of the Chancellor's served to promote domestic harmony.

Because of the increase in Rebecca's taxable salary, her insistence that her earnings should be taxed separately would reduce, rather than increase, their joint tax bill for 1985-86. Taxation on their earnings jointly would push them into a higher tax bracket.

Warming to this new spirit of reconciliation, Rebecca agreed that they could revoke their decision to be taxed separately in the current year 1983-84, when joint taxation would save them a few pounds.

However, after deducting their life insurance, investment and mortgage payments (in 1985-86, their mortgage tax relief would be granted at source through the MIRAS system), they discovered that they would have slightly less money available next year than this (see table).

George leant back in his chair and restrained a grin of triumph.

Rebecca however had one more card to play. "You've forgotten," she said. "Stamp duty on a house has been halved from 2 per cent to 1 per cent. As the house in Honeysuckle Close is going to cost us nearly £100,000, we would save £1,000."

There was also the VAT that would have to be paid on building the extension. George pointed out that if they could agree on a plan with the architect so that the work commenced and the bill paid in full before June 1, they could avoid the VAT. As he estimated that the work itself would cost £12,000, the potential VAT bill would be another £1,800.

"But you know very well, George, that we could never agree on the architect, the plans and the builder all in a matter of about eight weeks," said Rebecca.

Suddenly I had an idea for breaking the deadlock. "George, why don't you agree to buy the house, if Rebecca agrees to let you manage her investments for her? I'm sure you could save thousands in tax. And," I added, imagining what the room would look like without contract documents and children's toys all over the floor and furniture, "I might even be persuaded to buy this house from you after all."

"Well of course, I should be managing her investments," said George. "As her investment income has to be added to my income, we're having to pay about £7,000 a year tax on it. I bet I could reduce that to under £1,000."

And with the enthusiasm of a visionary, George described how he would put her money into National Savings certificates, low-coupon gilts, index-linked gilts—"all these Government-sponsored tax avoidance schemes," he remarked. But he would put the bulk of her money into the offshore "roll-up" funds, which accumulated interest within the fund so that no tax was payable until the money was withdrawn.

"We're planning to work and live abroad on a four-year contract in a few years time," said George. "So then we can withdraw the money virtually tax-free."

He said he would also consider buying any deeply discounted bonds issued by companies which, under the new tax rules announced in the budget, would have the same fiscal attractions as the offshore roll-up funds.

With Rebecca too appearing to concede the attractions of this trade-off, I decided to take my leave.

"I think that's an excellent compromise," I said putting on my coat. "We should have three winners and no losers."

George smiled mischievously. "No losers that is," he said, "except for the taxman."

Letters to the Editor

Presentation

From Mr O. Smedley

Sir,—In the 27 years from 1939 to 1967 on one occasion only was the Budget presented to the House of Commons on a date earlier than the end of the financial year, namely in 1952 on March 11th. This practice enabled the Chancellor to review the outcome of the previous year's figures in his speech.

In the 17 years since 1967 on only six occasions has it been presented otherwise than well before the conclusion of the current financial year, thus removing any possibility of referring to the not yet published figures of the previous year.

I do not suggest that there is any sinister explanation of such a change in practice but, nevertheless, why has it happened?

Oliver Smedley,
Garden Cottage, Duck Street,
Wendens Ambo,
Saffron Walden, Essex.

Sunday

From the Chairman,
The Retail Consortium.

Sir,—I was disappointed that your leading article on shop opening hours of March 12 did not match up to your usual high standards.

The most important point to grasp—which was ignored in your leader—is the highly competitive nature of retailing in England and Wales. If de-regulation were to be introduced stores, particularly on the food side, would have to open whether they wanted to or not, in order to protect their market share. In the United States over 80 per cent of grocery chains are now open on Sundays and in Scotland more and more stores are opening on Sundays.

There is little likelihood of extra trade being generated over the week as a whole in the event of Sunday trading. You mention the experience of Massachusetts. Your argument here is a breathtaking example of the post hoc ergo propter hoc fallacy. The Financial Times can hardly be unaware of the surge in retail sales in the U.S. as a whole over the past year. In addition Massachusetts will have pulled in sales from neighbouring states which had de-regulated earlier. To attribute the rise in sales that occurred to the advent of Sunday trading is really quite extraordinary.

Again particularly on the food side, set against broadly the same level of sales would be the certainty of increased costs. The wages councils require that premium payments be awarded for Sunday working. In addition there will be extra costs for things like refuse collection, cleaning and conceivably local authority rates. The inevitable outcome would be a combination of higher prices, reduced investment and shop closures. The intensification of the current trend away from small labour intensive shops would undoubtedly worsen employment prospects in the retail trade in the long term, as well as reducing consumer choice.

These are some of the reasons why the great majority of the trade is in favour of some form of controlling regulation of Sunday trading. Apart from smaller stores some specialist non-food stores like DIY outlets and garden centres may wish to open on Sunday, but they are in the distinct minority. Most retail staff are also opposed. They want to be at home with their family on Sundays, just like everyone else, especially as a high proportion are married women. Judged by the latest opinion poll, about half of all consumers also want some controls on Sunday trading.

The free market theoreticians are entitled to their views but the Home Office inquiry should surely lay greater stress on the opinions of those with practical knowledge of the retail trade. Reform is needed but an ill-considered sweeping away of regulations would not be in the interests of shops or shoppers alike.

G. W. Paterson,
Commonwealth House,
1-19, New Oxford Street, WC1.

Engineering

From the Director General,
Engineering Employers' Federation

Sir,—I am glad to see that Mr Hilton ("Engineering training," March 12) supports the view of the EEF that the Engineering Industry Training Board should become more cost-effective, while being limited to its craft and technician training role.

He also acknowledges that we are right in calling for changes in the grant and levy system, for a reduction of the board's "policing" activities and for the improvement of its capacity to deal with advanced technologies.

Clearly, the EEF's response to the EITB's consultation represented an amalgam of a wide range of opinion expressed from within our membership. While there are those like Mr Hilton who find the board "to be practical, helpful and supportive," there are however many others with an opposite view.

Far from displaying indecision in its response, the federation has made its position on the necessity of EITB reform crystal clear. We have said that a series of positive steps—among them, those identified by Mr Hilton—must be taken by the board immediately if it is to regain the full confidence of the industry.

By initiating these changes, the EITB will enable itself to provide the service the industry needs at a cost it can afford. We shall then be able to rally to a common objective—that of supporting the EITB as a constructive and effective force for the future of the industry.

James McFarlane,
Broadway House,
Tothill Street, SW1.

Directors

From Mr M. Posner

Sir,—In reply to Mr P. Lawson (March 10) I agree that many directors under the present company law abandon their creditors.

In the White Paper, "A revised framework for insolvency law," it is proposed that the disqualification and personal liability of company directors be enforced to a greater degree and wrongful trading be defined. These proposals if accepted still leave many pitfalls for creditors.

Regrettably, the Department of Trade and Industry does not wish to consider any further measures which relate to directors' personal liability for subsequent failures of companies, as in the words of the report, "it would deter the genuine entrepreneur from risking his capital in a further venture." From my experience the vast losses are not borne by the entrepreneur when there is a company failure, but by the general body of creditors.

M. S. Posner,
4 Johnston Court,
Woodstock Road,
Croydon, Surrey.

Ballots

From the Director,
Aims of Industry

Sir,—Philip Bassett (March 5) produced some useful data on the effect of the Government's impending legislation on to what extent the trade unions continue to be affiliated to the Labour Party. But the figures he quotes on trade unionists contributing to political funds include a large number of workers who have actually opted out, but nevertheless have the levy deducted from their wages by employers.

The effectiveness of the balloting will very much influence the ability of trade unionists to express their views on this subject. Unfortunately the Government appears to have decided against the three steps which are essential to guarantee genuine secret ballots: an independent administrator, central registration of all members, and a postal ballot.

The proposals for workplace balloting so far lack essential precautions. Here it is essential that it implements the methods of general and municipal elections. That means that ballot forms should not be distributed to workers on the machines for example—but given to them as they enter a booth. There should be identification cards so that there is no multi voting. And, finally, the scrutineers should not be just branch officials—but independent scrutineers also.

Michael Ivens,
40 Doughty Street, WC1.

Rates

From Mr E. Schurmann.

Sir,—On the radio the other morning, Sir Terence Beckett said something to the effect that he would like to see local rates for corporations come down to the level of rates for private persons. I would certainly be in favour of equality in this but, in that case, should we not insist that either private rates are allowable against income-tax or that commercial rates are increased to compensate for the fact that they are deductible?

E. S. Schurmann.
10 Wetherby Place, SW7.

Friendliness

From the Secretary,
International Women's
Contact Amsterdam.

Sir,—I read the article by Barbara Broer (March 7) with the greatest fellow feeling, but I would join issue with her on two points.

Bougainvillaea Boulevard can also be the Rue de X or Straat van Z, but often without the servants and with much less sunshine, in other words wives in Europe have similarly difficult circumstances. We may be able to get home for half-term or have relatives descend for Christmas or summer, but most of the year we too are surrounded, unless we are very lucky, by an incomprehensible language and indifferent or hostile neighbours in an alien culture. Moreover in a big European city our homes may be physically far from any new friends.

But women are beginning to tackle this problem. In the past dozen years in cities across Europe and beyond—in Copenhagen and Canberra, in Amsterdam, Athens, Brussels and Brazilia, there are springing up organisations of executives wives from many nations supported by local ladies who have themselves often lived abroad. Here the newcomer finds understanding, sympathy and her own personality and usefulness again. Language is one of the various problems of course—and here we Anglo-Saxons are lucky, since English is often chosen as the common language.

Honor Rutherford.
Postbox 67,
Amstelveen, Netherlands.

THE MINERS' DISPUTE

Why Scargill relies on his red guards

By John Lloyd, Industrial Editor

"WE WERE fighting a class war (in the 1972 and 1974 miners' strikes) and you don't fight a class war with sticks and bladders. You fight a war with the weapons that are going to win it . . . the capitalist system is in big trouble but everything will depend upon the particular circumstances. It may well be that a crisis situation, similar to the one we had in 1972 and 1974, may produce those circumstances and that a socialist revolution may be that much nearer in a number of Western countries than many people think."

(Arthur Scargill, Interview in New Left Review, July 1975)

MR ARTHUR SCARGILL is a Marxist Leninist: not a poseur, a conference-hall revolutionary, a gays against whale slaughter man, but the real thing. His conduct of the miners' dispute is inexplicable without prior reference to that fact.

His interview with the New Left Review (that collective of faceworkers hewing at the thin seam of British theoretical Marxism) was given nearly a decade ago: he has not changed since. He assumed power in the National Union of Mineworkers on an open, honest ticket of revolutionary socialism and no one in the union's leadership has been more assiduous in promoting its ends than he.

No serious revolutionary worth his salt can be deflected from his chosen path by a refusal on the part of his supporters or in this case members, to take the same view of the class struggle as the leadership: to do so is to betray that struggle. Most of them have had to face revolts in their ranks and they have quashed them. They have not done so because they wish to—Mr Scargill would vastly prefer to have a united army at his back—but because they must do so out of what they see as historical necessity.

Though Mr Scargill is the most active and articulate exponent of this view, his colleagues in the left-wing leadership of the NUM are imbued with it. The mineworkers, especially in Scotland and South Wales, are one of the few groups of British workers among whom revolutionary socialism has ever taken any hold over any period. The tradition has thinned since the days in the 1940s and 1950s, when West Fife consistently returned a Communist to Westminster—but when, as now, right-wing leadership has faltered, it can still be powerful.

The NUM, then, has a leadership which is militant and disciplined and prepared to discipline those members it thinks are backward. It has, in the old phrase, got sufficient "optimism of the will." But does its pessimistic intellect tell it that will alone cannot succeed?

Not yet: for these reasons.

First, it believes it is facing an enemy as ruthless as it is prepared to be and that this is getting home, at last, to ordinary mineworkers. When Mr Ian MacGregor, the National Coal Board chairman, made it clear he would close 20 pits and make 20,000 miners redundant in the next financial year, he allowed Mr Scargill to claim (with some justification) that his earlier warnings of a hit-list were correct.

The speeded-up closure rate can be seen as unfair and arbitrary. The flashpoint for the Yorkshire men has been Cortonwood Colliery. In Cortonwood Colliery, in South Yorkshire: the NCB first

The right-wing rump on the executive wants a national ballot

shortened its lifespan to 1986, then, earlier this month, said it would close soon. Men had already been transformed there from other pits which had closed, and there was widespread anger which the promise of redundancy payments could not assuage.

The young Yorkshire flying pickets massed round Nottinghamshire pit gates this past week had one common slogan: "We'm fightin' for us jobs." It was a cry which had the Notts men ducking their heads in embarrassment, or hastily assuring their cross-border comrades that they agreed, but. . . well, we want a ballot first.

This is the second point. The pitched battles in the lurid glare of TV sun-guns, and the popular press' hammering of the theme of "Miner against miner" miss the complexity obvious on the picket lines and in the miners' clubs these past weeks. Example: mineworkers at the South Celynen colliery voted once against striking and twice for a national ballot: yet these some men later went off to picket pits in Staffordshire and Leicestershire.

Loyalty to the NUM runs terribly deep in many mining areas, mainly because it is bound up with a social and cultural tradition and a definition of oneself as a man. "Fight like men," is a common and telling exhortation by leaders to their members: and the lines of miners' wives opposite the collieries give photographers fodder, but merely confirm the pickets in the correctness of their stance.

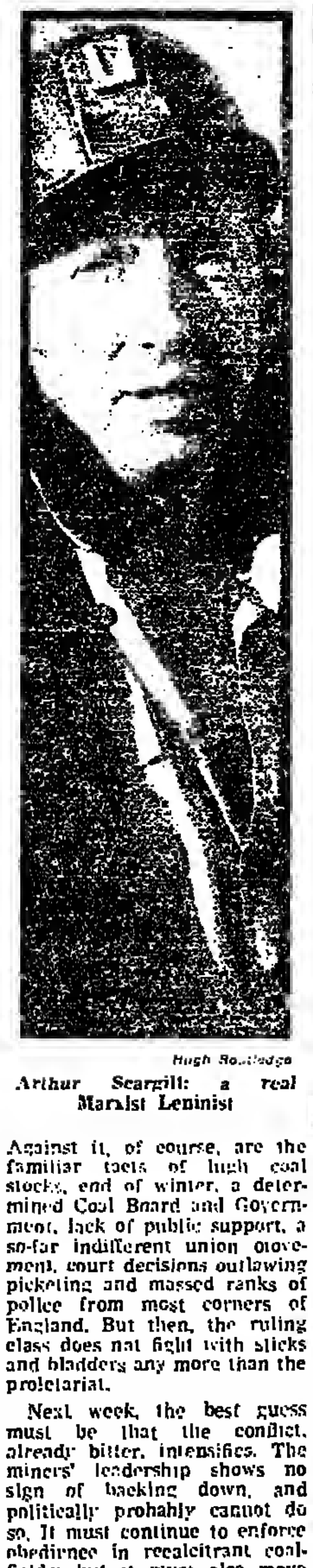
However, in this strike Mr Scargill cannot, it is already clear, bank on solid support from many, perhaps most, of his union members. He does, however, have shock troops in the young Yorkshiremen, backed up by smaller numbers from South Wales, Scotland and Kent; and he can probably count on a sullen acquiescence from those who are against striking, rather than fear a violent or organised reaction.

These youthful red guards are having a good time, after all: their spirits are high from their successes in closing pits, their cause, they believe, is just and they are top of all the TV bulletins and on the front pages every night and morning. How long the adrenalin can keep pumping at the rate required to make them the fearsome group they now are is debatable: but they have this weekend to regroup and rest.

Third, Mr Scargill can hold any revolt on his executive for the foreseeable future. The crumbling of the once dominant right-wing leadership has been well chronicled: it has not been reversed. Mr Trevor Bell, the general secretary of the NUM's white collar section, is a moderate socialist who lacks allies even on the right: Mr Ray Chadburn, president of the Nottinghamshire area, has never shown himself remotely willing to take on the left.

The right-wing rump on the executive wants a national ballot: if it can get an executive meeting called, it will renew that demand—but it would be defeated.

That is the strength of the hand of the NUM leadership: as can be seen, it is not devoid of high cards, always provided they are played with nerve.



Hugh Routledge

Arthur Scargill: a real Marxist Leninist

Against it, of course, are the familiar facts of high coal stocks, end of winter, a determined Coal Board and Government, lack of public support, a so-far indifferent union movement, court decisions outlawing picketing and massed ranks of police from most corners of England. But then, the ruling class does not fight with sticks and bladders any more than the proletariat.

Next week, the best guess must be that the conflict, already bitter, intensifies. The miners' leadership shows no sign of backing down, and politically probably cannot do so. It must continue to enforce obedience in recalcitrant coalfields: but it must also move from stopping production to stopping coal being burned, especially in power stations. That will mean picketing aimed at stopping power station workers entering the gates, almost certainly against their wills. It will mean deep splits at TUC level, and will face the battered Labour movement with a further crisis. It is not just the capitalist system which is in big trouble.

Japan's sporting craze

Samurai in suits in the land of the rising golfball

By Jurek Martin in Tokyo

THE biggest, and in reality the only, risk to life and limb on the Tokyo underground comes from umbrellas. These are not the new digitalised pop-out varieties where the micro-chip has been improperly programmed; they are furled, in the proper manner, but held upside down; they are being wielded by the successors to the old samurai, the average Japanese "salaryman," not as swords but as pitching wedges. And what most of them are trying to emulate is the 130-yard back from deep rough that golfer Isao Aoki put directly into the hole, winning the Hawaiian Open 13 months ago and thus becoming the first Japanese man to triumph on the American tour.

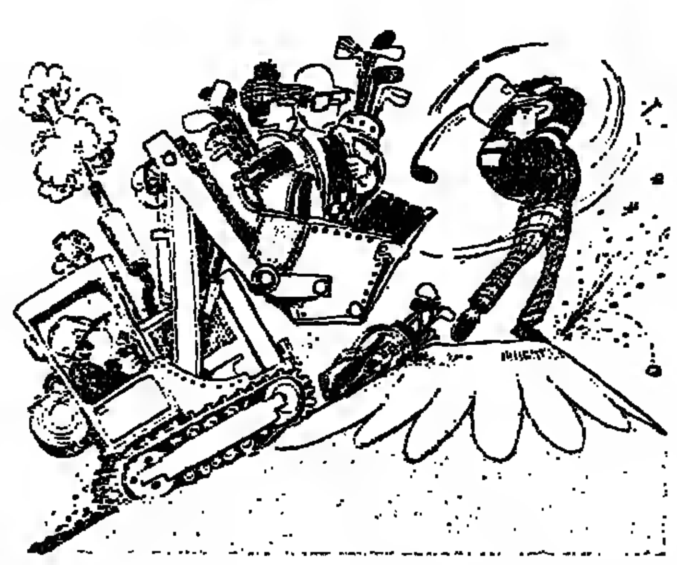
Close observers of the station platform scene must report that it is not only Aoki's flat, cramped swing that serves as a role model (if it were, there would be less risk). Some commuters are more enamoured with the Irwin-esque classicism of Tsuneyuki Nakajima, who is already doing very well in the U.S., while the ubiquitous OLs (office ladies) are properly taking after Ayako Okamoto, who first broke the Japanese winless drought in America two years ago.

That the Japanese have plenty of reason to cheer about the success of their golfers overseas is, in reality, only the icing on the cake. Golf is a sport which annexed Japan years ago, but in ways that do not necessarily correspond with its overlapping grip on other countries.

Today, about 14m Japanese are said to "play" golf. Unfortunately there are under 2,000 courses in the country, a ratio which inevitably leads to disappointment. Apart from station platforms, there are substitutes for the real thing: multi-storied driving ranges, computerised golf "trainers" and endless hours of televised golf, the favourite variety of which is to have cameras follow stars of the entertainment world as they lurch alarmingly from tee to green. The GNP of the golf magazine publishing industry in Japan also probably comfortably exceeds that of many developing nations.

But the dream of every Aoki manqué is actually to get on a course. This is neither easy (most are miles away from cities, either half-way up mountains or on distant sea shores) nor cheap (a round rarely costs under £50 and a membership anything between £30,000 and £250,000, which explains why the research for this article was necessarily limited). But once there, golf in Japan has certain sui generis characteristics.

Its most obvious aspect is that it must first have been played here by mountain goats, a species now as extinct as the gutta percha ball. Even flat countryside, such as the "golf ginza" around Narita airport outside Tokyo, is quickly reassembled in the manner, if not of the Alps, then at least the Malverns. This helps to explain the success of manufacturers of earth-moving equipment, like Komatsu.



' Even flat countryside is quickly reassembled in the manner, if not of the Alps, then the Malverns '

This not only means a proliferation of side, up-and-down hill lies: it has also meant that many courses come equipped with escalators, elevators, and in one case even a ski-ing gondola (cable car) to ferry golfers around, while several run to complete monorail systems to transport golf bags. It is nothing short of unnerving to observe a nice medium iron approach colliding with a fast moving golf bag 20 ft up in the air (the Rules of Golf appear not to have been adjusted to this phenomenon in determining whether or not a penalty stroke or a lost hole in matchplay ensues).

The next most noteworthy Japanese variation on a theme is the caddy. Individually — and indiscriminately — driven petrol or electric carts, as in the U.S., are uncommon because of the wear and tear they inflict on the thin national topsoil, though the caddy herself will normally put four bags in a lightweight powered cart, which she will steer delicately around 18 holes.

Note the gender of the caddy; all are women, but with no apparent ambition to play themselves. They tend to be of stolid agrarian stock, often middle aged, gold teeth gleaming in the sunlight, and invariably dressed in a uniform topped with a remarkable bonnet which looks for all the world like E.T. in the Halloween sequence of Spielberg's film. Their asset is that they rarely lose sight of a ball and even plunge down precipices in pursuit of errant ones; they are less reliable in advising on distances between ball and green (all in metres, of course).

The favourite word of the caddy-san (to use the correct Japanese word) is ooobeee. This is the vernacular for out-of-bounds; it may be used either as a noun or a verb and is usually emitted with repressed glee. It is also another indication of the absorption of the English language into Japanese. Thus the Japanese for a good approach shot is "nice on," for a successful putt "nice putt" and so on. In fact, for the English monoglot, language ceases to be a problem when playing golf in Japan.

Generally, the Japanese are extremely polite on the golf course (no hidden character traits here) and very well versed in golf etiquette. A foursome on the green at a short hole always permits the group behind to drive off before putting out themselves. However, niceties are sometimes indiscriminately applied. It is, in this instance, de rigueur for the greenside foursome always to applaud whenever a tee shot makes the putting surface. But a screaming spoon into the teeth of a gale which trickles 2 inches (sorry, 5 centimetres) off will be met with stony silence whereas a skulled iron which does get on via five trees, two mounds and a water fountain will be rapturously received (with cries of, naturally, "nice on").

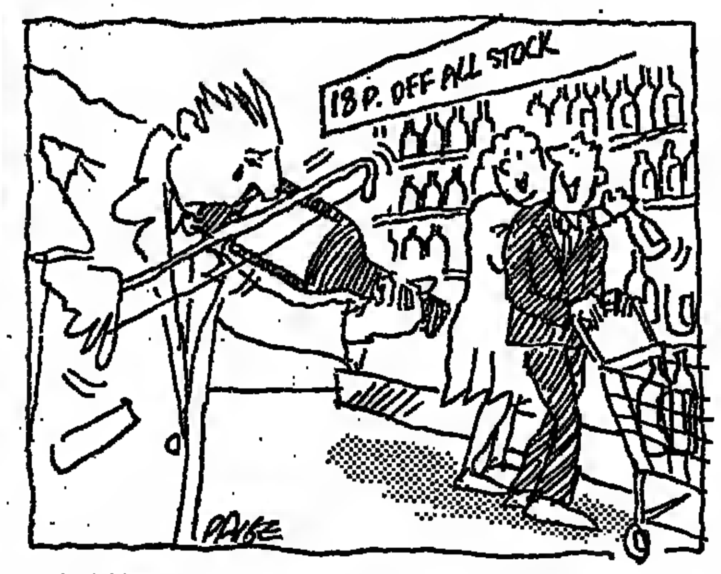
Less happily, a round can take a very long time (six hours is not uncommon and it is virtually mandatory to break for lunch after nine holes). This is not an adverse commentary on the quality of Japanese golfers; they are not all short hitters or chronic shankers nor do they always meditate for five minutes over putts.

It is more to do with social factors. Having invested so much time and money, the Japanese are not about to rush through a game, especially when only a traffic jam awaits after it is over; in any case, it is not dignified to hurry in Japan. More particularly, since so many golf games are "business outings," corporate etiquette comes into it. It simply would not be right for a junior executive to suggest to his superior that not even Nicklaus could escape from the deep pine forest into which the boss had disappeared 20 minutes ago; and it would be equally insensitive for those waiting behind to be so rude as to demand to be allowed to play through. After all, the Japanese justly pride themselves on their tolerance for other people's foibles, shanks included.

Harmony of course is ensured at the end of the round by the other great Japanese institution —immersion in an "ofuro," the communal hot water bath without which no club house can exist. It is only then, and at post-round drinks, that the Japanese might consider actually discussing business. Even in Japan, everything takes second place to the game itself.

BUDGET BUDGET BUDGET

Weekend Brief



Price war begins on booze and fags

A wine war was sparked off in Britain's supermarkets and off-licences this week by the Chancellor's decision to reduce the duty on table wines by 18p a bottle. Most major retailers will by this morning have implemented price cuts across a whole range of their wines—even though the 18p duty will already have been paid by them. "It's a commercial decision in competitive market," says a Victoria Wine spokesman, echoing the views of most others in the trade.

With many bottles of table wine already being sold below the magic price barrier of £2, cutting prices by a further 18p a bottle means that a sizeable slice of the retailers' profit margin is being poured down customer's throats.

The problem, says one stores chief, is that the public does not generally understand the time lag between buying stocks on which duty has been paid and the Chancellor's announcement of reduction in duty. "Once one competitor decided to get a bit of publicity and cut prices, we all had to follow," he added. Fine Fare and Victoria Wine are said to have started the stampede to cut prices, but the rest were not far behind.

So what are the best wine buys this weekend? Sainsbury is pushing its own-label "Minervois" red which it had already reduced in price by 20p before the Budget to £1.79 and has now cut the price by a further 20p to £1.59.

Tesco's "best buy" this weekend is an own-label Portuguese Rosé which is selling at a new post-Budget price of £1.79p. Fine Fare has an own label Spanish white wine selling at £1.57 while Victoria Wine's recommendation is a bit more up-market: it suggests a "smooth and fruity" Spanish rioja called "Banda Azul at £2.99 a bottle.

While wine drinkers should be more than a little merry this weekend with their wine bargains, the smokers and Scotch drinkers should not feel too depressed by the inevitable increases announced in the Budget. Retailers say that they do not expect to have to push up the prices of Scotch for "at least two to three weeks yet" depending on how long present stocks last.

Smokers also are traditionally aware of the post-Budget facts of life of waiting for stocks to run out before higher prices come in, although few of the 20m or so smokers are likely to have to pay the full 10p increase for some considerable time. Silk Cut, for example, is at a recommended 10p, should, therefore, go up to £1.24 a packet. But most supermarkets are selling it now at only £1.06p a packet and fierce competition should inhibit the full 10p increase taking place.

The falling demand for cigarettes in recent years has made many thousands of small tobacconists fight a desperate price war with each other to maintain sales in the face of competition from the big multiple stores. It will be only with the greatest reluctance that any retailer pushes prices up in line with the 10p increase, many will try to trim their already small profit margins to offset some of the rise in duty.

So the best advice is to shop around. Or you could simply give up smoking and drinking.

Stags find allies in budgies and cats

For one section of the investment community, the excitement of Budget Day was by no means confined to the words of Chancellor Lawson. For Tuesday saw the offer for sale of shares in Systems Reliability—the first issue for many months that the stags could really get their teeth into. They went at it in impressive style.

Stags, for those unacquainted with that shy and retiring breed, are speculators who apply for shares in new issues in hopes of instant profits by reselling in first day dealings. Among their many peculiar habits, one of the most striking is the multiple application.

Any stag worth his salt will submit his applications in sheaves—some in his own name, some in the name of friends and relations, and the odd one on behalf of the budgie or the cat. On Tuesday morning, at Barclays' new issue department in Farringdon Street in the City, the phenomenon could be studied in remarkable detail.

Of the hundreds of applicants jamming the main hall, the great majority were armed with bundles of applications at least a foot thick. There was a lot of jostling at the counter, since it was felt prudent to distribute each pile equally along the row of laundry baskets provided (multiple applications being, of course, officially frowned on).

Against the opposite wall, private initiative was taking hold. A floor space some 20 feet long by six feet wide was covered an inch deep with application forms and their accompanying cheques. Stags were industriously shuttling along the pile, scattering their applications as widely as possible under the indulgent eye of Barclays personnel. With cheques worth many millions littering the floor, one could sympathise with the occasional anguished cry of "put out that cigarette."

Outside in the entrance hall were mounds of suitcases lugged along by more ambitious applicants. Elsewhere on the floor sat those whose initial expectations had been more modest, but whose practised glance at the scene inside had shown them their mistake. With application forms on the left, open cheque book on the right, they scribbled industriously, attaching cheque to application with the staplers which they had thoughtfully included in their stagging kit.

At 10.01 in the morning applications closed, and it was all over. Next day, it was announced that applications for the £7m worth of Systems Reliability shares had totalled £685m—an oversubscription of 96 times. At that level, of course, the process becomes self-defeating, since no individual gets more than a fraction of the shares applied for. But then, stagging is not a science, nor is it an art—for those who like such things, it is a sport.

China frowns on a renewed baby boom

CHINA'S rigorous birth control policy appears to be failing—despite a drop of about 2m in the number of births last year.

The Chinese Government has ordered a limit of one child per couple and is enforcing it in many areas with compulsory abortions and sterilizations to limit the population to 1,200m by the year 2000.

To achieve this target the population — already about 1,030m—must not grow by more than 10m a year.

But the latest official statistics show that the population grew by an estimated 13 per thousand last year—an actual natural increase of about 3.4m over the annual quota.

In announcing the figures, the official news agency, Xinhua, also warned that the country is facing a fresh "baby boom." The agency said that about 11m more women would be reaching child-bearing age each year over the next few years due to earlier baby booms in the 1950s and 1960s. Even if the country succeeds in forcing all of these women to bear only one child, the population target will be broken.

A conference in Peking last week of family planning officials from throughout China ordered "effective measures" to prevent couples from having two or more children. But the conference appeared to acknowledge the widespread opposition to the "one child" policy, particularly in rural areas where peasants determined to have male children are ignoring the severe economic penalties against second births and, in some cases, killing female infants.

It resolved that in some unspecified circumstances peasants could apply to have a second child. "In the rural areas we generally advocate only one child per couple.

Contributors:
David Churchill
Tony Jackson
Mark Baker

Television Services profit over forecast

AGAINST A minimum £300,000 forecast, Television Services International has turned in a pre-tax profit of £340,000 for the 14 months ended December 31 1983. And it is paying the promised 0.1p dividend.

The company came to the USM in February 1983 following the purchase of a group specialising in all aspects of film production and video facilities. It formerly owned tea estates and other interests in Sri Lanka.

Turnover for the period moved ahead to £2.31m from £1.24m of the previous year. After tax £179,000 (£48,000) the net profit came out at £161,000 (£71,000), and there are extraordinary reorganisation and flotation costs of £127,000. Earnings are 0.76p (0.32p) before extraordinary costs and 0.15p after.

Reviewing the divisions, the directors report that in video facilities the performance was "most encouraging." Operating profit before management charges come to £230,000, and it is planning for higher figures in 1984.

The film production profit was £174,000. During the final quarter Medicus Productions was launched to develop the division's capability within the medical and pharmaceutical industries. The company now has a number of significant contracts in production in this area.

In late 1983, TSI Films, a film broking and production company, was established. Start-up costs were incurred in 1983, although there are many "exciting projects" in the pipeline, "with good growth potential for this new venture."

Westwood Dawes

To the year 1983 the loss at Westwood Dawes has shot up from £16,000 to £226,000 from turnover of £2.53m, against £1.57m. The group is engaged in structural and mechanical handling engineering, and recently decided on the closure of the construction section, which has been costly to maintain, in order to concentrate on roller and pulley operations. Costs associated with this will be reflected in 1984 accounts.

Loss per share for 1983 came out at 17.89p (0.82p). There are extraordinary debits of £76,000 this time being the provision for closure costs on the conveyor systems operations.

Oddpack assets sold

The assets of Oddpak, the motor accessory packager and distributor which went into receivership in January, have been sold by the joint receivers to Alexander Engineering Co. of Haddenham, Buckinghamshire.

The receivers, Jeffrey Hordle and Simon Pomeroy, partners in chartered accountants, Peat Marwick, understand that it is the purchaser's intention that the business will continue to operate as a going concern.

Mills & Allen advances to £9.4m at six months

TAXABLE profits of Mills & Allen International, the media contracting and financial services group, increased from £8.58m to £9.42m for the six months to December 31, 1983, on turnover £13.45m higher at £63.97m.

Earnings per 25p share rose from a restated 13.2p to 14.4p and the net interim dividend is maintained at 4p—last year's total was 13p on record £19.07m profits.

The level of activity in the markets serviced by the group's money broking companies is improving and securities markets are buoyant, the directors report. Insurance broking is achieving useful gains in both volume and margins and the second half will benefit from the increased size of the retail network.

Order books for media contracting in the UK are increasingly short term and a clear trend for the second half (which is always heavily weighted to the final quarter) is not yet discernible. Forward orders in Belgium are at a high level, but there is still no evidence of any upturn in the Far East.

Since the beginning of the current year the chain of retail insurance broking shops has increased from 64 to 110 branches. This network has an annual premium income in excess of £30m, mainly from motor insurance, and services 330,000 customers.

A money broking subsidiary (65 per cent owned) was established in Copenhagen in December. In its first three months it has already proved to be a useful addition to the network.

Interest payments in the half year more than trebled from £112,000 to £340,000. After a lower tax charge of £3.66m (£3.99m) and minorities of £75,000 (£79,000) attributable profits were up from £4.51m to £5.69m.

See Lex

DIVIDENDS ANNOUNCED

		Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Airsprung	2nd int	2.25	April 6	1	4.5	4.3
Hall Engng.		4.2	May 4	4.2	7.61	7.61
W. & R. Jacob		4	—	4	6	6
Lancs. & London		2.88	March 30	2.88	2.88	2.88
Lon. & Manchester		11.48	May 15	9.31	16.45	13.65
Mills & Allen	int.	4	May 14	4	—	13
George Oliver		5.55	May 5	4.68	7	6
Peel Holdings	int.	2.35	April 6	2	—	5
Television Services		0.1‡	May 1	—	0.1	—

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § Unquoted stock.

Hall Engineering rises to £5.6m

AN UPLIFT in second half profits from £2.01m to £2.7m helped Hall Engineering (Holdings) rise from £5.42m to £5.6m at the pre-tax level for 1983. This is in line with midway predictions that full year results would not differ significantly from the previous year.

At the halfway stage the directors said trading conditions affecting activities in both the UK and South Africa had continued to deteriorate into the first half.

Turnover for the 12 months moved up from £107.57m to £109.93m. At the operating level profits fell from £3.89m to £2.71m while related companies added £3.87m against £3.46m.

The net final dividend has been held at 4.2p, which maintains the total at 7.61p. Earnings per 50p share slipped from 25.06p to 23.05p.

Interest took £976,000, down from £1.92m.

Tax amounted to £2.28m compared with £1.85m. After minorities and extraordinary debits, considerably reduced from £3.4m to £217,000, attributable profits came through at £3.12m (£161,000). Preference payments will absorb the same again at £64,000, as will ordinary payments at £1.08m.

● comment

Behind Hall Engineering's announcement of virtually unchanged profits lies a glimmer of hope that the company's important South African activities may at last be emerging from recession. If the results are broken down on a geographic basis the SA subsidiaries increased their contribution by a half to 50 per cent of group operating profits. The important aspect of this advance, admittedly from a low base, is that it came mostly in the final quarter, thanks to stronger demand for both reinforced concrete products at Weldmesh and mining tols at Hall and Pickles. What is uncertain is whether this is an isolated rally or part of an overall recovery in the area; only time will tell. Meanwhile there is no such optimism yet on the home front, with both steel reinforcement and steel stockholding activities only managing to break even during 1983. Short of any upturn in demand, Hall is looking to improve margins by adding some value to steel stockholding (by bending and cuting). But it is difficult to see much happening on the steel reinforcement side, where massive overcapacity is a burden to everyone in the sector. Instead of organic growth the company might have to settle for acquisitions. At 150p the shares are selling on a p/e of 6.3, while the yield is 7.5 per cent.

Williams Holdings cuts loss

THE EXPECTED return to profitability in the second half of 1983 enabled Williams Holdings to cut full year pre-tax losses from £315,000 to £76,000. At halfway, the deficit had increased by £94,000 to £293,000.

The year's results do not include any contribution from Garford Lilley Industries, which was acquired in December, 1983. The addition of Garford Lilley however, is expected to have a substantial impact upon the group's results for 1984.

Turnover of the group, which operates as a non-ferrous metal die-caster, founder, engineer and car dealer, jumped from £5.61m to £26.89m in 1983.

There was again no tax, but after minority debits of £66,000 this time, attributable losses came out at £142,000, against £315,000. In 1982, there was also an extraordinary charge of £1m.

Loss per 25p share decreased from 9.27p to 4.17p. The figure is based on the ordinary shares in issue, prior to those issued in connection with the Garford Lilley acquisition. There is again no dividend — the last payment was made in 1980.

Although results of Ley's Malleable Castings have improved considerably since the company was acquired in early 1983, the directors believe the return on capital invested is inadequate.

Accordingly, a contraction of this business has been undertaken this month, which will eliminate the low profit margin items, but will retain the more profitable work. In this way, the directors believe that during 1984 this company's return on its assets will be acceptable.

London and Manchester profits up by 30%

BUOYANT LIFE profits, higher investment income and lower underwriting losses on its general insurance operations resulted in London and Manchester Group recording a 30 per cent improvement in last year's profits from £3.61m to £4.68m. Earnings per share rose from 15.74p to 20.42p.

The dividend for 1983 is lifted by 20.5 per cent from 13.65p to 16.45p, with a final payment of 11.48p.

Profits from the ordinary branch improved by 28 per cent from £1.96m to £2.52m, while the industrial branch profit rose by over 30 per cent from £1.4m to £1.69m. These booyant increases reflect the strong growth last year in capital values of the life funds, which resulted in higher surpluses from the funds.

Investment income rose by nearly 10 per cent from £1.06m to £1.16m, while the general branch loss after tax was cut from £423,000 to £245,000. On this latter point, the company benefited from the better weather last year and from the reorganisation exercise to control general branch expenses.

Management expenses more than doubled from £74,000 to £174,000, but the tax charge fell from £311,000 to £271,000.

● comment

London and Manchester's profits improvement was far better than the market had been expecting. The company's actuary has allowed for last year's buoyant stock market performance to come through in his profit calculations quicker than expected, resulting in substantially higher bonuses for policyholders and corresponding increases for the shareholders. The closed pension fund—Investment Trust Retirement Annuities, continues to make a significant contribution and will do for many more years. The withdrawal of life assurance premium relief could well hit this year's new business growth, but not profits, though it will involve higher costs as the company seeks new outlets. The worst that could happen is a slowdown in growth. The share price improved 13p to 450p, a welcome reversal of the decline in the past few days, yielding 5.2 per cent.

Electro-Protective

Hawley Group's U.S. subsidiary, Electro-Protective, has made pre-tax profits of $7.27m (£4.96m) for the 12 months to December 31 1983, against $4.7m (£3.2m) for the previous 15-month period. Turnover for the same periods increased from $30.34m to $56.96m. The directors recommend a final dividend of 1.25 cents per common share, up from 1 cent last year.

Electro-Protective is one of the largest U.S. distributors of security products, specialising in the alarm service business. Based in New Jeresy, it was Hawley's first acquisition in the U.S. It came to a full listing on the London Stock Exchange in May 1982.

Foundation halves stake in Rank to raise £26.4m

BY RAY MAUGHAN

The Rank Foundation has halved its substantial stake in Rank Organisation through a placing of 10.37m shares to raise £26.4m.

The 5.13 per cent holding was placed by Cazenove at 255p and leaves the Foundation with a residual stake of 10m shares, or 4.93 per cent. The placing was arranged almost exactly a year after Rank's big institutional shareholders succeeded in pressing for senior management changes. The Rank price then was 144p.

Rank has subsequently pulled profits up for the year to October 1983 from £62m to £69.3m and gone most of the way toward restoring the dividend cut in the previous year.

Sir Patrick Meaney has been appointed chairman and Mr Michael Gifford has been recruited from Cadbury Schweppes as chief executive. The share price, up 2p to 262p, has responded strongly to these moves although Sir Patrick told the group's annual meeting on Thursday that top management still had much to do in assessing and restructuring Rank's wide portfolio of businesses.

The Foundation has taken advantage of this upturn to diversify its own portfolio. As Mr Gifford said yesterday, "The Foundation had acquired in one basket and the sale puts it in a much better position." Mr Michael Richardson, chief executive of corporate finance at N. M. Rothschild, which is advising Rank Foundation, said that the proceeds would be invested internationally and in the fixed interest market to improve income.

The Foundation was set up in 1953 by Lord and Lady Rank first to donate dividends to a wide variety of charities and, secondly, to protect Rank's film activities from a feared U.S. takeover. Lord and Lady Rank transferred majority control of the group to the trust although the holdings were reduced to 10.1 per cent in 1976 when Rank opted to enfranchise its non-voting shareholders.

Its beneficiaries take in a variety of good causes ranging from the National Association of Youth Clubs, the University of Buckingham, the Salt Training Association and the Royal College of Surgeons.

The Foundation's income has fluctuated recently with the level of Rank's dividends — cut from 10.5p to 8p net in 1982 and restored to 10p last year. At that level, the Foundation would have had £3.1m to distribute.

Vantona to boost dividend 25%

Vantona Viyella, the recently-merged clothing and textiles group, said it intends to recommend a dividend on its increased share capital of 10p per share in the year ending November 26 1984, an increase of 25 per cent.

Vantona will pay 4p at the interim stage and 6p as the final dividend, it said in the offer document relating to its £14m agreed bid for F. Miller (Textiles).

This represents a 64 per cent increase in dividends to Miller shareholders, who would receive the equivalent of 2.22p for each existing Miller share compared with 1.35p, adjusted for the capitalisatinn issue of June 1983, last time.

Vantona said its re-equipment and re-engineering programme will be largely completed this year and this will be reflected in the current year's results. Further benefits are also expected from last year's merger of Vantona with Carrington Viyella.

The reduced gearing should result in reduced financing charges. Vantona is seeing a modest recovery in its markets with customers more willing to order longer term.

As forecast in December, pre-tax profits of F. Miller dropped from £2.44m to £1.83m in tha year to February 13 1984, with second-half figures down from £1.41m to £0.78m.

On tha assumption that the offer will become unconditional, Miller does not intend to declare further dividends on the ordinary and preference shares.

The interim of 0.6p net paid in November, therefore compares with the previous year's total of 1.35p.

Turnover for the year dropped from £9.68m to £8.67m. At the trading level, profits declined from £2.16m to £1.47m before net interest received of £356,228 (£282,182). After tax of £910,150 (£1.2m) and extraordinary debit of £79,520 this time, the available surplus fell from £1.24m to £837,849.

The extraordinary item represents the expenses of tha offer made on behalf of Vantona Viyella and the previous offer, now lapsed, by the Nottingham Manufacturing Company in so far as debited in the figures.

Earnings per 10p share, before the extraordinary item, were down from 4.02p to 2.91p.

General Investors and Cardinal trusts to merge

General Investors and Trustees and Cardinal Investment Trust yesterday confirmed that the two companies, which are both members of the Foreign and Colonial Management Group, are to merge.

The combined trust will be called F&C Pacific Investment Trust and will aim to achieve faster than average capital growth by investing in quickly expanding companies in the Pacific Basin region.

It is proposed to increase the proportion of the companies' assets invested in the region to around 90 per cent. At present, Cardinal and General Investors are roughly 30 per cent invested in Australia and the Far East. Foreign and Colonial group as a whole bas abont £200m invested there.

The merger will be implemented under a scheme of arrangement, under which the shareholders in each company will receive a cash payment of about 10 per cent of the net asset value of their respective company as at January 31. Cardinal, which is a subsidiary of General Investors, will be wound up and its net assets will be transferred to General Investors.

Cardinal's outstanding deferred shares will be acquired by General Investors in exchange for General Investors shares issued to Cardinal deferred shareholders. General Investors preference shares and Cardinal preferred shares will be repaid at their nominal value. Cardinal "A" debenture stocks will be redeemed at a premium of 1 per cent over nominal value, while the Cardinal second debenture stock will be redeemed at its nominal value.

Brengreen in £2m disposal

Brengreen (Holdings) yesterday sold the 910,000 shares—6 per cent of the equity—it acquired in Sunlight Services during the course of its unsuccessful £35m take-over bid late last year.

Brengreen, which is engaged in office cleaning and refuse collection, said it felt that £2.35m raised by the disposal at 258p per share could be better used elsewhere within the company. It has no further interest in Sunlight.

Brengreen bid £31m for Sunlight last September, but improved the terms of the offer after it was cleared by the Secretary of State for Trade and Industry. It withdrew after gaining acceptances from the holders of only 13.9 per cent of Sunlight's equity.

Birmingham Pallet

Delaney Brothers Holdings, a private, Birmingham-based furniture manufacturer, is being reversed into the loss-making Birmingham Pallet Group, leaving existing shareholders of Birmingham Pallet holding 10 per cent of the enlarged group.

An announcement, which disclosed that Birmingham Pallet's pre-tax losses to October 31 1983 had been cut from £0.32m to just under £0.1m, said that an agreement between the two companies allowed for Birmingham Pallet to acquire the capital of Delaney 9m ordinary shares of 10p each.

Birmingham Pallet's capital was £102,005 in 10p shares when its listing was suspended last November at 63p.

Birmingham Pallet announced that agreement in priciple has also been reached whereby its wholly-owned subsidiary ERI, a profitable company making fascia panels and decorative knobs, will be sold to ERI's managing director Mr M. Starr, members of his family and his family trust.

D.J. Security bid talks

D. J. Security Alarms announced yesterday it has received an approach which may lead to an offer for the company. Its shares, which were introduced on the Unlisted Securities Market by way of a placing last September, rose 38p to a new high of 133p.

A further announcement will be made as soon as possible. Earlier this month D. J. Security aonounced a pre-tax profit of £210,000 in the year ended October 31 compared with its prospectus forecast of not less than £200,00. Turnover was £640,000.

The directors said they looked forward to the current year's results with "considerable confidence."

Before its USM introduction Manchester-based D. J. Security claimed to be the largest privately-owned installer of security alarms in the north of England. It recently opened a branch in London as a base for expansion in the south-east. It also operates a computerised central station to monitor alarm installations.

John Lewis

The John Lewis Partnership bought in the market on March 15 for cancellation, 380,000 of its 5 per cent cum pref stock at 51p per £1 unit.

Hanger's Nigerian loss

THE FULL OFFER document for T. Cowie's agreed £5m cash and equity offer for Hanger Investments underlines the continuing trading problems at Hanger.

While Hanger's motor trading and leasing businesses mada profits of about £100,000 in the closing months of 1982, lifting the full year figure to £180,000 pre-tax, compared with losses of £806,000 in 1982, attributable profits have been dashed by non-recurring costs and provisions.

Closure costs of the imported spare parts business and redundancies amounted to £368,000 and there was a further loss of £710,000 on exports to Nigeria, inclnding a £556,000 provision. In total pre-tax losses were £898,000 and the directors say no dividend would have been declared for the second year running.

In recommending Cowie's offer, Hanger's chairman, Mr Peter Adams, tells his shareholders that talks were held with other potential buyers, but Cowie made the only firm offer at an acceptable level. Mr Adams, and his brother Geoffrey, have accepted Cowie's terms in respect of their own holdings amounting to just over half the equity.

Because the combined group will have more Ford main dealerships than the motor company allows in one company's control, a rationalisation of the business looks inevitable. The offer document warns that the integration of the two groups will involve job losses.

The offer is a basic 4 Cowie shares plus 346p in cash for every nine Hanger shares. Hanger shareholders can elect to take 54p in cash for each ordinary share or 54p in an equivalent amount of loan notes.

Nadir and Daihatsu in motor link

Polly Peck (Holdings), Mr Asil Nadir's fruit-packing and manufacturing company, is to study jointly with Daihatsu Motor of Japan the possibility of setting up a vehicle manufacturing operation in Turkey.

Polly Peck would have exclusive rights to make and distribute selected vehicles in Turkey and have non-exclusive distribution rights to locally produced vehicles in some other countries. Its shares rose 13p to 317p yesterday.

Polly Peck has been developing a string of manufacturing activities in Cyprus and Turkey. It reached an agreement with Metal Box in December 1983 for that company to supply technical support and exeprtise to food processing and packaging businesses Polly Peck plans to develop in Turkey.

In 1982 it reached an agreement with Thorn-EMI to make Ferguson colour television sets and video products in Turkey and Egypt.

British Ropes

British Ropes, a subsidiary of Bridon, has begun a £250,000 expansion of its alloy wire mill at Doncaster. The mill produces steel alloy spring wire for use in aerosols and automotive components, and the investment has been undertaken because of a sustained increase in demand.

COMPANY NEWS IN BRIEF

George Oliver (Footwear), the reconstructed retailing group, has stepped out strongly and produced a profit of £2.09m for 1983. This compares with £1.43m for the previous year, and the dividend is being raised by 1p to 7p net, with a final of 5.55p.

Turnover for the year advanced from £31.76m to £36.78m. Trading profit was up £877,000 to £2.21m and interest charges were £642,000 (£529,000).

After tax £455,000 (credit £87,000) the net profit came out at £1.63m (£1.52m): to which is aded extraordinary credits £971,000 (£1.04m). Earnings are 30.07p (27.91p).

* * *

Maker of women's outerwear Godman Brothers reports a setback from £88,000 to £27,000 in pre-tax profit for the half year ended October 31 1983. Turnover fell from £5.21m to £4.52m, with exports being down from £1.1m to £837,000.

There is no tax charge, as last time, and earnings are 0.276p (0.902p) per share basic or 0.273p (0.887p) fully diluted. For the full year ended April 30, 1983, the group made a profit of £165,000 and paid a dividend of 0.75p.

* * *

A rise in group pre-tax profit for the six months ended September 30 1983, from £203,000 to £210,000, is reported by building and civil engineer J. Jarvis & Sons. The interim dividend of 7.2p is unchanged.

Turnover declined from £1.12m to £0.81m for the period, and after tax payments of £100,000 (£88,000) attributable profit was down at £77,000 (£118,000).

In the last full year the company showed a pre-tax profit of £632,000 and paid a final dividend of 8.8p.

* * *

A profit before tax of £1.03m has been made by Airsprung Group in the first 12 months of the current 15 months period ending March 31 1984.

As regards the remainder of the period, Mr J. G. Yates, chairman, is reluctant to make any forecast. He says the much publicised consumer boom "seems to have receded" as far as the bedding market is concerned.

In the second half of 1983 the profit was disappointing, says Mr Yates. The usual seasonal trends did not materialise for the first time in many years. The profit compares with £426,000 for 1982.

Turnover of this bed manufacturer showed a rise of 19 per cent, from £15m to £17.81m. Earnings are 12p (3.5p) per share, and there is a second interim dividend of 2.2p which makes 4.6p (4.3p) for the period.

The company's shares are traded in the market by Granville.

RESULTS DUE NEXT WEEK

Burton Group continues its impressive performance under the management team led by Ralph Halpern. Though pledged to double the 300,000 sq ft increase in space it achieved in 1982-83, the capital expenditure programme does not appear to be denting margins significantly. The market expects a strong advance on last year's interim pre-tax profits of £18m to between £25m and £26m with a 2.2p net dividend when the figures for the six months to the end of February are announced on Tuesday. Sales are reported to be strong throughout tha group, in tha menswear stores and tha famale chains including Top Shop, Dorothy Perkins and Peter Robinson. The Burton Group seems in line comfortably to top £50m pre-tax for the year.

BICC has been warning for some time that 1983 results, due out on Wednesday, will be poor. It is against this background that analysts will be scrutinising the figures to discover whethar or not the sluggish first half was the low point in the current business cycle. If so, they will want to know if a second-half recovery can be sustained in the current year—a position which depends very much on tha state of its international markets, notably Australia, which accounts for around half of the overseas profits, Canada and South Africa. All these geographical regions have been either in deep recession—like South Africa—or showing signs of emergence. The cables division will also bear the scars of a first-half battering on the back of a price war which lasted until last May. Since then there have been several price rises, which lend weight to the likelihood of a second-half recovery.

Tha only area to show an improvement will be Balfour Beatty's engineering activities, thanks to the strength of the order book. The division started last year with £750m of new business on the stocks, 50 per cent higher than the previous year. The general concensus is that BICC will turn in around £85m for 1983, against £98.6m the year before.

Opinion is divided over how much profit Kleinwort Benson, one of the UK's largest merchant banking groups, will report in its preliminary announcement next Tuesday. The main reason is the company's bearish statement at halftime, which suggested that although first half profits were ahead of the depressed previous first half, the full year's outcome would be below 1982's £20m net level. The problem is the company's heavy exposure in South America, where there will have to be a hefty provision for bad and doubtful debts, particularly in Mexico, Brazil and Venezuela. All these countries are in the process of rescheduling their international debts.

As the company is a leading adviser to the Government on its privatisation programme the corporate finance division should have kept busy. Elsewhere, the bullion operations of Sharps Pixley, which suffered in 1982 through increased competition and narrowing spreads, should be showing an improvement.

The investment management operation should also have made progress, but shipbroking will not excite given the dull performance of the shipping sector. Analysts expect all this to result in a disclosed net profit of around £18.5m, although at least one suggests £19.5m.

The City is expecting Willis Faber to show a rise in pre-tax profits from £30.8m to around £40m when it reports on the year to last December on Tuesday. The strength of the dollar over that period could lift currency gains to perhaps £5m, while tha Carter Wilkes and Fane acquisition will only have to repeat its interim performance to turn in a first-time full year contribution of £2.4m. All this points to an only modest underlying rate of growth. Like Sedgwick, which announced disappointing results last Thursday, Willis Faber has been affected by the overcapacity in the insurance industry, which has led to intense competition and forced rates down alarmingly. An increase in the total dividend from 17.5p net to perhaps 21p looks on the cards.

Turner & Newall is expected to build on its interim recovery when it announces results for 1983 on Wednesday. In the past year, its new chairman has made a determined attack on working capital, trimmed back costs assiduously, and pulled out of unprofitable businesses. That process, combined with the £55m sale last March of Hunt Chemicals in the U.S. should have more than halved borrowings. Analysts expect the interest charge to be down from £24.2m to £10m or less. On the trading front, automotive components have had a fine year in Europe, and particularly in the UK, while construction materials will have benefited from the upturn in the building industry. On that basis, a swing from the previous year's loss of £19.3m to a profit of £13m or £14m pre-tax looks likely.

Two more oil companies report their full year figures to end-December next week—Tricentrol on Thursday, and Britoil on Friday. Britoil's results will be difficult to compare with the previous period, since for most of 1982 Britoil was not a public company, and its figures were mixed in with BNOC on a quite different accounting basis. The market is looking for net income of around £115m, against a notional £109m. This figure includes unrealised losses of up to £25m on US$ loans—a book-keeping rather than cash item. Offsetting that was the effect of dollar strength on second half oil prices. Tricentrol's net earnings are expected to be in the range £21-£23m, complicated by the fact that the company has again changed its accounting policies, to take account of the PRT provisions in last year's Budget. This week's Budget, of course, changes the sums again; but it is not expected that either company will have had time to incorporate the new rules in next week's statements.

On Tuesday, preliminary results are expected from Rentokil, J. Bibby, Automotive Products and Smith & Nephew, while Paterson Zochonis reports interim figures. On Wednesday Hepworth Ceramic announces its final figures followed on Thursday by S. R. Gent with its interims.

Company	Announcement due	Dividend (p)* Last year Int.	Last year Final	This year Int.
FINAL DIVIDENDS				
Arncliffe Holdings	Monday	1.12	1.54	1.12
Automated Security	Thursday	.35	.53	0.4
Automotive Products	Tuesday	0.5	—	0.5
Banro Industries	Thursday	0.575	2.725	0.575
BBA Group	Thursday	0.84	0.9	0.84
Beatobell	Wednesday	5.7	7.8	5.7
J. Bibby and Sons	Tuesday	1.23	3.49	2.24
BICC	Wednesday	3.5	7.04	3.5
Boddington's Breweries	Tuesday	1.05	1.35	1.14
Britannic Assurance	Wednesday	5.9	12.65	6.78
Britoil	Friday	—	3.3	—
Bronx Engineering Holdings	Thursday	0.25	0.79	0.25
Canning, W.	Tuesday	0.25	1.5	0.5
Church and Co.	Thursday	2.5	7.0	3.0
Clifford's Dairies	Thursday	1.8	3.6	2.0
William Collins	Thursday	3.0	5.5	3.5
Comben Group	Wednesday	1.2	1.35	1.2
Garton Engineering	Thursday	—	—	1.42857
HB Electronics	Tuesday	—	0.42	—
Hepworth Ceramics	Wednesday	2.25	3.35	2.5
Home Charm	Wednesday	0.28	1.04	0.75
John I. Jacobs	Thursday	0.7	1.9	1.0
Kleinwort Benson Lonsdale	Tuesday	3.0	8.0	4.5
Laing Properties	Tuesday	2.0	3.0	2.25
Liverpool Daily Post and Echo	Thursday	3.7	6.5	3.9
Hugh Mackay	Wednesday	1.4	2.6	1.4
Manders	Thursday	1.4	4.8	2.0
McLaughlin and Harvey	Wednesday	1.8	4.8	2.0
Memec	Tuesday	1.1	3.3	1.21
Metal Closures Group	Thursday	2.2	3.5	2.2
J. N. Nichols (Vimto)	Thursday	5.5	8.0	6.5
Noble and Lund	Thursday	0.175	0.175	—
Pittard Group	Tuesday	1.375	2.625	1.375
Rentokil	Tuesday	0.6	1.03	0.675
Sale Tilney	Monday	3.75	5.0	4.25
Smith and Nephew	Tuesday	1.1777	2.4888	1.4
Stag Furniture	Tuesday	1.75	3.25	1.75
Stockholders Far East Investments	Tuesday	—	†1.0	—
Tricentrol	Thursday	2.8	5.6	2.8
Turner and Newall	Wednesday	0.25	—	0.25
United Newspapers	Thursday	4.5	7.5	5.0
Watmoughs	Tuesday	1.418	3.749	1.7
Waverley Cameron	Thursday	—	3.75	—
Willis Faber	Tuesday	5.0	12.5	5.0
H. Woodward and Son	Monday	0.5	1.7	0.5
WW Group	Wednesday	1.94	4.99	1.94
INTERIM DIVIDENDS				
Arbuthnot Government Securities Trust	Thursday	5.0	10.0	
Armstrong Equipment	Wednesday	—	0.1	
Bridport-Gundry	Friday	1.1	2.13	
Burton Group	Tuesday	1.5	3.5	
Charterhall	Wednesday	—	0.3	
Matthew Clark and Sons	Tuesday	3.0	7.0	
Epicure Holdings	Monday	0.62	1.08	
HTV Group	Thursday	4.0	7.0	
Linread	Wednesday	—	†1.0	
Y. J. Lovell	Monday	1.125	3.375	
R. P. Martin	Monday	3.65	7.8	
John Maunders Construction	Tuesday	1.1	—	
Meynards	Thursday	3.125	6.625	
Minerals and Resources Corpn.	Friday	‡8.0	‡8.0	
Minerals Oils & Resources Shares Fund	Tuesday	‡20	‡20	
New Cavendish Estates	Monday	—	1.0	
Paterson Zochonis	Tuesday	1.33	3.42	
Peachey Property Corpn.	Tuesday	2.25	3.75	
Sanderson Murray and Elder	Friday	—	2.0	
Sirdar	Wednesday	0.95	1.8	
Staffordshire Potteries	Thursday	—	0.01	
Thomas Nationwide Transport	Friday	‡6.0	‡2.0	
F. W. Thorpe	Thursday	1.15	1.85	
INTERIM FIGURES				
Arbuthnot Dollar Income Trust§	Thursday			
Barry Pacific Fund§	Wednesday			
Botswana RST	Thursday			
Central Independent Television	Friday			
Edinburgh Fund Managers	Monday			
S. R. Gent	Thursday			
Joseph (Leopold) Sterling Fund	Monday			
Logica	Tuesday			
New England Properties	Tuesday			
Michael Page Partnership	Monday			
Resource Technology	Tuesday			
Rockware Group	Wednesday			
Talbot Motor	Tuesday			
Telemetrix	Wednesday			
Tomatin Distillers	Tuesday			
VG Instruments	Wednesday			

* Dividends are shown net pence per share and are adjusted for any intervening scrip issue. † For 17 months to December 31, 1983. ‡ In U.S. cents. § Quarter figures.

SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and deals

The shareholders of Brockhouse, the loss-making West Midland engineering group, rejected Caparo Industries' £5m cash injection through a subscription of 20m new shares. This would have given Caparo a 51.7 per cent stake in the company. Instead, Brockhouse has opted for an agreed share-exchange offer worth £7.2m from Evered on the basis of four Evered shares for every ten Brockhouse. At the same time, Evered is launching a £5.3m rights issue to provide Brockhouse with urgently required working capital.

Becker, the Swedish paint manufacturer, launched a 75p per share cash bid worth £13.6m for Donald Macpherson, the supplier of Cover Plus paint to Woolworth. The offer drew an emphatic rejection and a claim from the latter's board that Becker's attempt to buy 10 per cent of the Macpherson equity in the market at prices up to 75p had completely failed.

Emess Lighting won the battle for control of Michael Black, the video and consumer electronics distributor, with a revised share-exchange offer of two Emess shares plus 135p cash for every nine Black shares. The offer values Black at £3.3m and tops the rival offer worth just over £3m, from Highgate and Job. The latest Emess bid has support from shareholders owning 51 per cent of the Black equity.

Clabir International has made an an agreed bid for Steaua Romana. Terms are 50p cash for each Steaua restricted voting share and the same amount for each deferred share, valuing the latter at some £6.2m.

Mr Michael Ashcroft, the chairman of Hawley Group, and Mr Gaston Murray, chairman of Security Corporation of America, Hawley's 40 per cent-owned associate, have agreed proposals to inject new fire protection interests into Nu-Swift Industries in a deal worth £16.1m, in which Mr Ashcroft and Mr Murray each have a 14.99 per cent stake, is the acquisition of Associated Fire Protection from Mr Murray's European Fire Protection BV for 24m new Nu-Swift shares.

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder
Prices in pence unless otherwise indicated.					
Dreamland Elect	29§	26	29	4.36	Valor
Edith	57*	57	47	55.95	Invs in Industry
GB Papers†	73*	72	56††	5.45	James River Cpn
Hanger Invs	54§§	52	34††	4.98	Cowie (T.)
Ingram (H.)	65*	[illegible]	[illegible]	1.02	Wasskon
Int Paint	238	230	182	21.40	Courtaulds
London Brick	175	186	104	††247.14	Hanson Trust
Makin (J. & J.)	490*	475	243††	8.04	Bibby (J.)
Marlin (Albert)	42*	57	39	3.50	Wilson & Co
Maynards	250*§	250	198	6.34	Lewis E. Cartier
Macpherson (D.)	75*	89	68§	13.56	Becker
Miller F. (Textls)	50§	49	45	5.76	Vantona Viyella
Oil & Assoc Inv	[illegible]	148	137	[illegible]	Cluff Oil
Panto (P.)	30*	28§	23	1.28	Palmer & Harvey
Porter Chadburn	80*§	121	112	1.46	G. M. Firth
Prince of Wales Hotels	145*	145	117	7.90	Taddale Invs
Rosedimond Inc	54	55††	50	3.23	English Assocn
Rosedimond Cap	225	215††	185	5.99	English Assocn
Scan Data	117	107	100	2.63	Audiotronic
Sharpe (W. N.)	390*	475	330	21.80	Octopus Publshng
Sharpe (W. N.) A NV	390*	435	340	6.86	Octopus Publshng
SIG Davall	50	44	35	3.85	Vinten
Sperati (C. A.)	155*	330	170	0.09	Nash (P.) & Alexander (S.)
Steaua Romana Rest V	50*	52	40	5.29	Clabir Intl
Steaua Romana Defd	50*	50	38	0.86	Clabir Intl
Stylo	325*	270	311	32.33	Harris Queensway
Walker (James)	158*	158	152	14.11	Samuel (H.)
Wlkr (James) NV	131*	130	122	14.84	Samuel (H.)

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ¶ Unconditional. || Loan stock alternative. ** Based on 16/3/84. †† At suspension. ‡‡ Estimated. §§ Shares and cash. ¶¶ Related to NAV to be determined.

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder
Prices in pence unless otherwise indicated.					
Aero Needles	60*	80	81	2.56	Coats (J. & P.)
Alexanders Discnt	609	595	543	30.52	Mercantile Hse
Ault & Wiborg	46*	40	33††	4.70	Sun Chemical
Bassett Foods	151	145	99	18.24	Avana
Black (Michael)	80§§	77	47	3.00	Emess Lighting
Black (Michael)	74	77	55	2.76	Highgate & Job
Border Brew	250§§	245	290	13.43	Marston Thmpsn & Evershed
Brockhouse	46	42½	41	7.95	Evered
BWG	78§§§	73	65††	11.93	Irish Distillers

Rights Issues

Cement Roadstone to raise I£27m via a one for four rights issue.

Immediate Business Systems to raise £2.35m via a one for one rights issue of 6.75m shares at 40p each.

Snicliffe Speakman to raise £580,000 via a two for three rights issue of 2.5m shares.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
Alliance Trust	Jan	13,020	(11,730)	13.7	(12.7)	9.5	(8.55)
Anglo-African Fin	July	877	(5,770)	—	(13.2)	—	(1.12)
Appleyard	Dec	560	(1,410)L	6.4	(—)	—	(—)
Barker & Dobson	Dec	1,710	(510)L	0.42	(0.53)	0.25	(—)
Beatson Clark	Dec	1,220	(3,360)L	24.2	(25.3)	9.0	(9.0)
Berkeley Exp	Dec	409L	(1,560)L	—	(—)	—	(—)
BP	Dec	586,000	(716,000)	47.5	(59.4)	24.00	(20.25)
Brewmaker	Jan	622	(304)	2.7	(1.0)	0.4	(—)
BTR	Dec	170,600a	(106,700)	25.4	(19.1)	8.5	(6.67)
Cambridge Elect	Dec	9,720	(7,510)	13.9	(9.9)	6.0	(5.0)
Cattle's Hldgs	Dec	1,910	(1,250)	—	(3.4)	1.7	(1.28)
Cement Rdstone	Dec	9,080‡	(15,810)‡	4.16‡	(8.80)‡	2.51	(5.86)‡
Clondalkin	Dec	2,490‡	(1,370)‡	—	(2.6)	0.25‡	(6.25)‡
East Lancs Paper	Dec	415	(532)	—	(7.8)	2.5	(3.5)
Farmer, S. W.	Dec	529	(918)	5.2	(21.8)	9.75	(9.75)
Federated Housg	Dec	3,130	(574)	8.4	(5.2)	0.8	(—)
F. Fisher & Sons	Dec	1,690	(3,750)	7.9	(15.2)	3.0	(2.82)
Forward Trust	Dec	36,000	(35,500)	—	(—)	—	(—)
Garfunkels	Jan	767	(321)	16.1†	(9.2)	2.25	(1.0)
Grattan	Jan	3,510	(1,120)L	7.13	(—)	1.0	(—)
Greenfields	Oct	133L	(336)	—	(2.6)	0.75	(1.25)
GKN	Dec	85,100	(40,800)	17.4	(0.5)	9.0	(8.0)
Hewitt J. & Son	Dec	1,030	(485)	27.4	(14.1)	3.6	(2.41)
Horizon Travel	Dec	12,570	(14,300)	23.35	(23.00)	4.0	(3.6)
House of Leroso	Dec	1,690	(1,870)	17.5	(16.0)	5.0	(7.5)
IMI	Dec	31,600	(21,600)	7.2	(4.7)	4.0	(3.5)
Kean & Scott	Dec	5,460	(2,840)	4.8	(2.1)	1.1	(—)
Kode Int	Dec	1,120	(1,330)	15.7	(15.3)	6.8	(6.0)
Lloyds Bank	Dec	419,000	(329,000)	143.0	(127.0)	28.5	(24.56)
Lasmo	Dec	89,900	(113,600)	26.9	(36.7)	11.5	(11.0)
Macallan-Glenlvt	Dec	871	(503)	30.5	(22.5)	7.9	(7.15)
Merchants Trust	Jan	5,610	(4,670)	2.4	(2.3)	2.42	(2.35)
Metalrax	Dec	2,040	(1,640)	5.1	(4.2)	2.27	(2.09)
Pentos	Dec	750	(1,660)L	0.5	(—)	—	(—)
Rea Bros	Dec	875§	(851)§	—	(—)	—	(—)
Refuge Assur	Dec	5,110	(4,130)	—	(—)	20.0	(16.75)
Robinson Bros	Dec	880	(134)L	—	(—)	9.0	(5.0)
Rowntree	Dec	61,400	(50,500)	31.0	(24.5)	9.75	(8.6)
Royal Dutch/Shell	Dec	2.75d	(1.99)d	96.0	(69.1)	26.2	(21.8)
Schroders	Dec	20,920§	(15,390)§	134	(139.0)	16.5	(15.0)
Sedgwick	Dec	80,110	(72,980)	18.5	(17.5)	8.0	(7.0)
Sharpe & Fisher	Dec	1,850	(1,290)	7.7	(5.5)	2.4	(2.0)
Steetley	Dec	23,220	(9,350)	24.3	(7.4)	11.0	(7.0)
Suter	Dec	2,180	(1,260)L	5.2	(—)	2.5	(1.75)
TI	Dec	16,300	(4,700)	18.5	(—)	10.0	(7.5)
Transport Dev Grp	Dec	20,980	(18,330)	10.1	(7.9)	5.0	(4.5)
Ultramar	Dec	155,200	(153,500)	93.3	(91.9)	17.0	(15.0)
United Biscuits	Dec	83,200	(68,400)	18.3	(14.8)	7.0	(5.8)
Wlstnhlme Rink	Dec	1,140	(737)	20.9	(13.7)	6.75	(8.25)

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
A. & G. Electrncs	Jan	457	(346)	0.95	(0.82)
Barratt Devs	Dec	19,060	(20,740)	—	(7.41)
Bejam	Dec	7,510	(5,070)	1.75	(1.5)
Bolton Textile	Oct	158	(54)	—	(—)
Breville Europe	Dec	11	(1,540)	—	(1.75)
Brooke Bond	Dec	29,200	(20,900)	1.31	(1.25)
Chmbrs & Fargus	Dec	60	(80)	0.5	(—)
Christy Bros	Dec	14L	(263)L	—	(—)
Coin Inds	Dec	230	(713)	—	(—)
F. & C. Eurotrust	Dec	88	(108)	—	(—)
Lawtex	Dec	104	(88)L	0.75	(—)
Link House	Dec	3,740	(3,283)	5.0	(4.5)
A. & J. Mucklow	Dec	2,300	(2,410)	2.1	(2.1)
Murray Glndevon	Jan	277	(56)L	1.05	(1.0)
Promotions House	Dec	246b	(—)	—	(—)
Trafford Park	Dec	1,190	(1,070)	3.5	(3.25)
Wolseley-Hughes	Jan	10,640	(7,250)	5.35	(5.08)
Yarrow	Dec	405	(538)	2.5	(2.5)

(Figures in parentheses are for the corresponding period.) * Dividends are shown net except where otherwise stated. † After adjustment for 1983 rights issue. ‡ In I£. § Net profits. a Including £44.3m from Thomas Tilling. b For five months to December 1983. c For 40 weeks to end of 1982. d In £bn. L Loss.

Offers for sale, placings and introductions

Brown Bear is raising £3.1m via a private placing of 1.33m ordinary shares at 230p each.

Charterhouse J. Rothschild Pacific Investment Trust—Offer for sale of 40m shares at 100p per share.

Energy Finance and General Trust is placing up to 250,000 ordinary shares in Blenheim Clinic.

Formdesign is coming to the USM via a placing of 825,000 shares.

Microgen Holdings is seeking a full listing on the Stock Exchange.

North Sea and General Oil Investments—Planning to join the USM.

Robertson Research is seeking a full listing on the Stock Exchange via a fixed price offer for sale of 2.56m shares at 160p per share.

Scantronic is coming to the USM via a placing of 1.6m shares at 78p each.

Stanley Gibbons is coming to the USM.

Scrip Issues

Cattle's Holdings—One for five scrip issue proposed.

Sharpe and Fisher—One for five scrip issue proposed.

APPOINTMENTS

Lewinton heads AI appliance group

Mr Christopher Lewinton, executive vice president, ALLEGHENY INTERNATIONAL, has assumed responsibility for AI's appliance group in addition to his role as chairman of the international group. This move is intended to facilitate the global integration of appliance strategies and products. The appliance group includes Sunbeam and Rowenta, and is one of the largest manufacturers of small electric appliances in the world, with a turnover close to $1bn. Allegheny International's headquarters are in Pittsburgh, Pennsylvania.

★

Mr Alan Duncan and Mr Roy Copperwaite will be joining E. F. HUTTON AND CO. in London as senior vice president—money market instruments, and vice president—manager floating rate notes respectively. Mr Robert Linton will be joining E. F. Hutton and Co. in New York as first vice-president—money market instruments. They were all with Credit Suisse First Boston in London and New York.

★

Following the retirement of Sir Joseph Latham, Mr G. Michael Davies is to be appointed a director of GEORGE WIMPEY and chairman of Wimpey Property Holdings from July 1. Mr Davies is a director of Howard de Walden Estates and was previously a director of the Hammerson Group.

★

Mr Bruce Matthews, managing director of News International, has been appointed to the board of TIMES NEWSPAPERS HOLDINGS.

★

MARKET LOCATION, Leamington Spa, has appointed Mr Michael Clark as deputy managing director. He was sales director.

★

Mr George Myers, deputy general manager and group actuary with GENERAL ACCIDENT, has retired.

★

Mr Richard Bedford has been appointed managing director of TOOTAL PERFORMANCE FABRICS. He was production director of Da Gama Textile Co. (PTY).

★

Mr Barry Cramp has been appointed managing director of METREL, Hitchin. He was production director. Metrel is part of the Grosvenor Group.

★

Central Regional Council's industrial promotions officer, Mr George W. Kelly is the new general manager of FREEPORT SCOTLAND — the company that will operate the Prestwick freeport.

★

Mr V. C. Ealey is to be president of THE SOCIETY OF ENGINEERS.

★

The OSCAR FABER PARTNERSHIP has appointed Mr Stephen Irving, as head of computing and R & D. He will continue as managing director of Facel, an engineering software company.

★

First permanent director of WINVEST, Cardiff, Wales's inward investment organisation, is Mr Colin Adlam, who is joining on April 9 from Imperial Chemical Industries, where he was overseas manager of the petrochemicals and plastics division. Since WINvest came into being on April 1, 1983, it has been headed on a temporary basis by Mr John Craig, a senior civil servant seconded by the Welsh Office.

★

Mr Ron H. Ludwick and Mr David R. Morris, respectively managing directors of cables and switchgear and accessories divisions, have been elected to the board of DELTA GROUP from April 12.

★

TAKBRO INDUSTRIAL (LONDON) will act as a holding company, and has launched Takbro as a selling company. Managing director of the new company is Mr Mike Jagot, who is also joint managing director of the holding company. Mr Arthur Cooper, former sales manager with the original company, becomes sales director.

★

Mr Jim Ewan, previously non-executive director of INTERCOM, has been appointed project manager responsible for new business development.

★

AIRCONTACT, an air service group which has its headquarters in Norway, has appointed Mr Dudley Ralph as export director of its UK subsidiary. He has joined from Aerotrans.

EUROPEAN OPTIONS EXCHANGE

Series		May Vol.	May Last	Aug Vol.	Aug Last	Nov. Vol.	Nov. Last	Stock
GOLD C	$350	—	—	8	61	—	—	$394
GOLD C	$400	57	12	10	23	—	24	"
GOLD C	$425	50	4	22	13.60	34	—	"
GOLD P	$450	60	1.60	—	—	—	—	"
GOLD P	$350	—	—	33	2.20	—	—	"
GOLD P	$400	66	15	226	14	9	16.50	"

TOTAL VOLUME IN CONTRACTS 26,357

A=Ask B=Bid C=Call P=Put

Economic Diary

TODAY: international conference on Latin America's problems, Montreal. Mr Donald Regan, U.S. Treasury Secretary, leaves for Peking (until March 21).

MONDAY: food facts (fourth quarter). Usable steel production (February). Telecommunications Bill report, House of Lords. TUC general council reviews boycott of National Economic Development Council, London. British Caledonian presents annual figures, Gatwick Airport. Mr Carlos Caceres, Chilean Finance Minister, holds bridging loan talks with Bank for International Settlements, Zurich. Venezuela resumes debt rescheduling talks with banks, New York.

TUESDAY: gross domestic product (fourth quarter provisional). Water workers pay talks, London. Environment Ministers from eight western nations discuss acid rain, Ottawa.

WEDNESDAY: cyclical indicators for the UK economy (February). New construction orders (January). European security and co-operation conference, Athens. Paris Club talks on Poland's debt, Paris.

THURSDAY: capital expenditure by the manufacturing and service industries (fourth quarter revised). Manufacturers' and distributors' stocks (fourth quarter revised). CBI/FT survey of distributive trades (end-February). EEC transport meeting, Brussels. Scottish Liberal Party annual conference, Ayr. Mr Neil Kinnock, Labour leader, addresses National Federation of Self-employed and Small Businesses annual conference, Eastbourne.

FRIDAY: sales and orders in the engineering industries (December). Conservative central council two-day meeting opens, Birmingham. Scottish Liberal conference continues. Shop workers' union to make statement on Sunday opening and late night shopping, London. U.S.-Japanese committee on yen-dollar rates starts two-day session, Tokyo.

Continued from Page 24

Hong Kong Telephone 353 (13/3)
Hong Leong 13¼ (9/3)
Hospital Corp of America £25½ US$51 (12/3)
Houston Natural Gas Cor £34¼ US$51 (12/3)
Humana Inc US$23½
Indian Ocean Res (1982) 45 7 (14/3)
Intl Harvester 650 (14/3)
Jardine Matheson Finance Wrnts 16 (14/3)
Jardine Matheson Finance 9½pcLn 1984/95 £6m (13/3)
Jardine Secs 60
Johnson and Johnson £23½
Kaiser Steel £27 (12/3)
Killinghall Tin (Malaysia) Berhad 135 (13/3)
Kroger £21½ (14/3)
Lambda Technology 43
Lauracia Res 30 (13/3)
Lee Hing Devpt 19 (9/3)
Leonard Oil 19 (14/3)
Levi Strauss £23½ (14/3)
Lightning Ridge Mng 3¼
Lilly (Eli) £42
Little Long Lac Mines £20¼ (14/3)
Litton Indus £39 (9/3)
Marks and Spencer Canada 715
McDonald's Corp £44½ US$66¼ (14/3)
Meridian Oil 22 2
Mid-East Mins 58 (14/3)
Mincorp Inc 32 (13/3)
Midnapore Res 262½ (12/3)
Mogul Mng 26 (12/3)
Moore Corp US$37
Mount Carrington Mines 80 (13/3)
Hungana Mines 132
Myer Emporium 115 (9/3)
NZ Forest Prods 255 (13/3)
National Semiconductor Corp US$15¼ (14/3)
Nationale-Nederlanden Fl 21
Negri River Corp 20
Newmont Mng Corp £35½
Nicholas Kiwi 166 91
Nicron Res 37 (14/3)
Noranda Mines £12 (13/3)
Norsat Intl 445 (14/3)
North Flinders Mines 128 (12/3)
North South Res 53 (13/3)
Nova An Alberta Corp A US$5.20
Oakwood Intl Pet 7½
Ocean Res 15
Oil Co of Aust (A$0.35) 40
Oil Search 17
Overseas Chinese Bnkg Corp 330
Palabora Mng 937½ (14/3)
Pall Corp £20 (14/3)
Pan American World Airways 525 (9/3)
Pancontinental Pet 19 (13/3)
Pancontinental Pet Opts (30.6.85) 20 (14/3)
Pecos Res 182 (14/3)
Pepsico Inc £25½
Prelim Secs Aust 124
Philip Morris Inc US$65½ (14/3)
Phillips Petlm £26¼ (14/3)

Target Pet ($A0.15) 15½ 16
Tech Corp B 540 (13/3)
Textar Resources 28 9
Texas Oil Gas £16 (13/3)
Treasure Valley Expln 62 5
Tri-Continental Corp £15
Unilever NV (Fl20) £55 (13/3)
Valiant Consld 17 (16/3)
Walker (Hiram) Res £13 13½ (13/3)
Walkers Bond 320 (13/3)
Washington Nat Corp US$21 (12/3)
Waste Management £24 (12/3)
Wattle Gully Gold Mines 25 (12/3)
Western Union Corp £18 (9/3)
Westfield Mng 110
Westinghouse Elec £31½
Westmex 14
Wheelock Marden A 33 4
Wheelock Maritime Int 8 1
World Intnl 21 (12/3)
Wormald Intl 210 (13/3)
Zone Pet 1150 (15/3)

RULE 163 (2)

Applications granted for specific bargains in securities not listed on any stock exchange

Abbey Nat Bldg Soc 10⅞pcBd (19/4/84) £100.013 (9/3)
Abbey Nat Bldg Soc 10⅝pcBd (9/5/84) £99.9 (9/3)
Abbot Labs
All Eng Lawn Tennis Gnd £500Deb 1981-85 £7 800
All Eng Lawn Tennis Gnd £500Deb 1986-90
Amal Metal
Anglo-Am
Ann Street
Border
Bristol £100.0
Cannon
Carraun
Channel
CIC Inv
Comm
Dollar
Economic
Edenspr
Exchem
Farmer
Grampian
Irish Pr
Jessel T
Malaling

RULE 163 (3)

Dealings for approved companies engaged solely in mineral exploration

Kenmare Oil Expln 6
Voyager Pet (UK) (10p) 50 2 (15/3)

(By permission of the Stock Exchange Council)

MGM ASSURANCE

MARINE AND GENERAL MUTUAL LIFE ASSURANCE SOCIETY
MGM House, Heene Road, Worthing
West Sussex, BN11 2DY
Telephone: Worthing (0903) 204631
Telex: 57441
Direct Line from London: 01-623 8211

UNIT LINKED QUOTATIONS

FUND		LIFE BID	LIFE OFFER	PENSIONS BID	PENSIONS OFFER
UK Equity	Acc	121.5	127.9	124.6	131.2
	Cap	121.5	127.9	123.65	130.1
Special Sits	Acc	116.1	122.3	116.0	122.2
	Cap	115.6	121.7	115.0	121.1
Fixed Int.	Acc	153.1	161.2	153.1	161.2
	Cap	152.7	160.8	153.1	161.2
Cash Deposit	Acc	102.7	108.2	102.9	108.e
	Cap	102.7	108.2	102.9	108.4
Property	Acc	104.3	109.6	104.5	110.0
	Cap	104.3	109.6	104.5	110.0
N. American	Acc	97.5	102.7	96.2	103.4
	Cap	97.5	102.7	98.2	103.4
Pacific Basin	Acc	152.6	160.9	153.0	161.1
	Cap	150.3	158.3	151.5	159.5
Managed	Acc	121.6	126.0	124.2	130.8
	Cap	120.9	127.3	122.6	129.1

LADBROKE INDEX

Based on FT Index
886-890 (+18)
Tel: 01-493 5261

LONDON TRADED OPTIONS

Option		Calls Apr.	Calls July	Calls Oct.	Puts Apr.	Puts July	Puts Oct.
B.P. (*423)	390	93	95	—	9	4	—
	420	63	66	68	5	15	17
	460	23	34	43	20	23	95

Option		Calls May	Calls Aug.	Calls Nov.	Puts May	Puts Aug.	Puts Nov.
LASMO (*298)	260	62	63	—	5	10	—
	280	38	48	—	10	20	—
	300	20	33	36	23	28	30

Mar. 16. Total Contracts 9,087. Calls 7,136. Puts 1,951. * Underlying security price.

Over-the-Counter Market

1983-84 High	1983-84 Low	Company	Price	Change	Gross div.(p)	Yield %	P/E Actual	P/E Fully taxed
142	120	Ass. Brit. Ind. Ord.	126	—	6.4	5.1	7.3	9.5
158	117	Ass. Brit. Ind. CULS	139	—	10.0	7.2	—	—
78	62	Airsprung Group	68	—	6.1	9.0	18.4	19.4
38	21	Armitage & Rhodes	29	—	—	—	—	—
320	141½	Bardon Hill	320	—	7.2	2.3	16.1	25.6
58	53	Bray Technologies	58	—	2.7	4.7	10.5	11.4
200	197	CCL Ordinary	200	—	5.0	2.5	4.5	6.3
152	121	CCL 11pc Conv. Pref.	152	—	15.7	10.3	—	—
400	100	Carborundum Abrasives	400	+5	5.7	1.4	—	—
249	100	Cindico Group	103	—	17.8	17.0	—	—
63	45	Deborah Services	62	—	6.0	9.7	33.2	53.9
207	75	Frank Horsell	207	—	—	—	2.8	14.2
193	78½	Frank Horsell Pr Ord 87	193	—	8.7	4.5	8.1	13.3
69	28	Frederick Parker	28½xd	—	4.3	15.1	—	—
39	32	George Blair	35	—	—	—	—	—
80	46	Ind. Precision Castings	48xd	—	7.3	15.2	13.3	16.5
355	134	Isis Conv. Pref.	355	—	17.1	4.8	—	—
121	61	Jackson Group	119	—	4.5	3.8	6.2	12.1
243	169	James Burrough	243	+2	11.4	4.7	13.4	13.8
350	275	Minihouse Holding NV	350	—	4.0	1.1	26.3	32.1
176	106	Robert Jenkins	106	—	20.0	18.9	12.3	2.3
74	59	Scruttons "A"	59	—	5.7	9.7	9.8	7.1
120	62	Torday & Carlisle	62	—	2.9	4.7	—	—
444	385	Trevian Holdings	434	+2	—	—	2.9	8.1
26	17	Unilock Holdings	18	—	1.0	5.5	11.8	17.1
92	65	Walter Alexander	84xd	—	2.2	8.1	7.4	9.6
275	238	W. S. Yeates	240	—	17.1	7.1	3.7	7.7

Dow up 17: volume jumps 38m

REACTING enthusiastically to a Budget Agreement between the White House and Republican Congressional leaders, Wall Street closed sharply higher yesterday despite continued worries that the strength of the economy will push up interest rates.

The Dow Jones Industrial Average finished 16.96 up at 1,184.36, making a rise of 44.60 on the week, while the NYSE All Common Index, at $91.73, rose $1.06 on the day and $2.79 on the week. Advances led declines by about a three-to-one majority in a volume of 118m an increase of 38.48m shares.

The main impetus for the market's climb was Thursday's announcement that the Reagan Administration's agreement to trim defence spending had led to a deficit reduction pact with Republican members of Congress.

The agreement caused stock prices to rise over 20 points in the first hour of trading, but profit-taking set in at midday and the market closed below the best.

Good economic news once again proved a mild depressant for the Stock Market, which now equates strong growth in the U.S. economy with potentially higher interest rates.

Early yesterday the Commerce Department reported that U.S. Housing Starts rose 11.2 per cent in February and that January's increase had been revised upward to 16.6 per cent.

Also indicating a very strong economy was the Government's announcement that capacity utilisation of U.S. industry in February rose to 80.7 per cent from 79.8 per cent the month before.

Wholesale prices in the U.S. rose 0.4 per cent in February, which was below the 0.6 per cent increase in January, but still enough to create inflation concerns.

On the plus side, the market was mildly encouraged by Thursday's announcement of a $1.4bn dip in the Nation's Money Supply.

Wall Street was also pleased by Chief Presidential Economic Advisor, Martin Feldstein's remarks that the Budget deficit cuts could cause long term interest rates to fall significantly.

One economist said the economy may be actually growing at a seven to eight per cent annual rate, rather than the six to seven per cent growth many economists had been predicting.

Bond prices weakened in response to the economic news.

Gulf led the active list, climbing $5¾ to $72¾. Superior Oil rose $1⅝ to $39¼ in active trading.

After Thursday's hearings in Washington investors were more encouraged that the acquisition of both Gulf and Superior will be permitted by Congress.

Loews rose $3½ to $203—it purchased 8.5 per cent of St Regis, up $¼ to $39.

THE AMERICAN SE Market Value Index was up 1.79 to 212.42, making a rise of 5.28 on the week.

Canada

Higher over a broad front but closed below the best levels reached in the first hour of trading.

The Toronto Composite Index advanced 16.2 to 2,422.7. Metals and Minerals 24.0 to 2331.9 and Oil and Gas 35.6 to 3431.8. But Golds shed 43.9 to 4575.0.

Gulf Canada rose $⅜ to $19 on renewed speculation of a sale of the company following the merger of Gulf Corp and Standard Oil of California.

Tokyo

Share prices continued to advance throughout the day in hectic trading with the market average marking a record closing high for the third consecutive session.

The DJ Average added 111.32 at 10,458.31. Volume 640m (520m) shares.

Buying spread from "low-priced" issues to International "populars" in anticipation of a further rise, and the prospect of bullish sentiment later on Wall Street sparked by President Reagan's deficit reduction package.

The uptrend accelerated rapidly in the afternoon as the prospect of a Wall Street rally gathered strength.

Shares with American Depositary Receipts led the market.

Sony advanced Y140 to Y3,800 on improved first quarter consolidated results.

Canon rose Y110 to Y1,460 on a 27 per cent rise in consolidated net income in the year ended December 31.

Motors were generally higher after the Japan Automobile Manufacturers Association said domestic vehicle sales in 1984/85 will touch a record high for the third consecutive year.

Foreign buying was active in the morning but subsided near the close.

Germany

Shares showed some of the strongest gains of the year as Foreign investors, emboldened by a rise of the dollar, came forcefully back into markets.

Progress toward cutting the U.S. Budget deficit, plus the dollar's recovery from lows brought wavering investors off the sidelines.

Good results Thursday from Hoechst, up DM 5.1 to 183.5, helped markets, and investors are now looking ahead for strong results from the Banks and other firms.

Commerzbank's Index of 60 leading shares jumped 18.9 to 1,038.9. It had touched a four-month low on Monday of 998.5.

Blue Chips were featured, but buying took other issues along.

Pharmaceutical Schering gained DM 11 to 394.

Recently depressed Chemicals saw steady buying in the wake of the Hoechst report of a 35.5 per cent gain in parent company 1983 pre-tax profits.

Among Motors, Daimler were up DM 9.50 to 569.50 and BMW DM 10 to 411.50.

Siemens in Electricals met broad demand, rising DM 7.5 to 408.80.

Hong Kong

Higher in heavy trading. Brokers said that there was good two-way trade, with many "smaller" local investors taking profits. But buying support came in from elsewhere in south-east Asia and some overseas institutions.

Sentiment continued to improve, bolstered by a steady flow of rumours on upcoming Corporate moves.

Immediate prospects depend on the outcome of the latest round of Sino-British talks on Hong Kong's future, which end in Peking Saturday.

The Hang Seng Bank Index rose 19.63 to 1,130.69.

Australia

After nine straight days of lacklustre results, share prices turned higher in moderate trading.

Traders said the upturn was a technical recovery from the previous sessions, which was helped by better trends on Wall Street.

The All Ordinaries Index rose 12.5 to 734.1, the All Industrials Index 10.7 to 865.8, the All Resources Index 13.0 to 550.1 and the Metals and Minerals Index 11.9 to 509.7.

A rumour spread that Perth businessman Lang Hancock purchased 5 per cent of CSR, up 26 cents to A$4, and was planning a takeover of the diversified sugar and mining group.

A spokesman for Hancock denied the rumour and CSR officials said they knew of no reason why the stock rose sharply in heavy turnover.

Australian National Industries (ANI) put on 30 cents to A$2.70 — it announced Thursday a novel method of disposing the 24m ANI shares held by Comeng.

ANI acquired Comeng last year, and under Australian Law a company isn't allowed to hold shares in itself. ANI plans to cancel the 24m shares and issue 24m new shares at 30 cents each but with 29 cents paid by ANI. The Rights issue will be on the basis of 21 new shares for every 100 shares held.

Paris

Broadly higher in moderately active trading in a market dominated by technical dealings.

Dealers said the market's strong trend largely represented purchases by Portfolio Managers.

NEW YORK

Indices

NEW YORK ACTIVE STOCKS

CANADA

DENMARK

FRANCE

GERMANY

AUSTRIA

BELGIUM/LUXEMBOURG

ITALY

NETHERLANDS

NORWAY

SPAIN

SWEDEN

SWITZERLAND

AUSTRALIA

HONG KONG

JAPAN

SINGAPORE

SOUTH AFRICA

JAPAN (continued)

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar firm

The dollar rose sharply in currency markets yesterday in thin pre-weekend trading. Much of the advance was prompted by agreement between the U.S. Administration and other Republicans over a three-year $150bn cut in the U.S. budget deficit. Sentiment was further improved by an increase in U.S. housing starts.

The dollar dipped very briefly in early trading but recovered strongly in the afternoon to touch a best level of DM 2.6300 against the D-mark. Trading in these two currencies represented a major part of the day's volume. The dollar closed at DM 2.6225 up from Thursday's close of DM 2.5805. It was also higher against the Swiss franc at SwFr 2.1530 from SwFr 2.1375 and FFr 8.0825 from FFr 7.9675. Against the Japanese yen it rose to Y225.70 from Y224.0. On Bank of England figures, the dollar's trade-weighted index rose from 125.8 to 126.7.

Sterling moved within a fairly narrow range against the dollar but benefited from the latter's strength to record an improvement against most European currencies. Against the dollar it opened at $1.4515 and touched a low of $1.4430 before finishing at $1.4465-1.4475, a fall of 1.6c. It rose in terms of the D-Mark to DM 3.7975 from DM 3.7775 and FFr 11.6925 from FFr 11.65. It was lower against the Swiss franc however at SwFr 3.1175 from SwFr 3.1275 and Y326.75 compared with Y328.0. On Bank of England figures, sterling's index rose to 80.9 from 80.8, having stood at 80.8 at noon and in the morning.

THE POUND SPOT AND FORWARD

March 16	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.4430-1.4550	1.4465-1.4475	0.18-0.23c dis	-1.70	0.60-0.65dis	-1.73
Canada	1.8500-1.8680	1.8565-1.8575	0.18-0.28c dis	-1.50	0.70-0.80dis	-1.63
Nethlnd.	4.26-4.30	4.28¼-4.29¼	1¼-¾c pm	2.80	2⅞-2⅝ pm	2.45
Belgium	77.30-77.80	77.65-77.75	22-42c dis	-4.71	82-92 dis	-4.48
Denmark	13.80-13.90	13.87½-13.88½	3⅞ore dis	-29.7	8-9 dis	-2.45
Ireland	1.2330-1.2430	1.2385-1.2395	0.36-0.44p dis	-3.87	1.18-1.33dis	-8.03
W. Ger.	3.77½-3.80¼	3.79-3.80	1¾-1⅝ pm	2.19	2⅞-2¾ pm	2.90
Portugal	189.50-191.50	190.50-191.00	150-450c dis	-19.57	630-1250dis	-19.71
Spain	217.75-218.75	218.20-218.40	150-180c dis	-9.07	450-505 dis	-8.75
Italy	2347-2356	2352-2354	15¼-17¼lire dis	-9.29	48½-50½dis	-8.41
Norway	10.88-10.94	10.91½-10.92½	4⅞-5⅞ore dis	-6.26	12-13 dis	-4.58
France	11.65-11.72	11.68¼-11.69¼	5¾-7c dis	-6.41	16¾-21¼ dis	-7.10
Sweden	11.21-11.26	11.24-11.25	1⅞-2⅝ore dis	-2.07	5-6½ dis	-1.89
Japan	325½-329½	326½-327½	2.64-2.56y pm	2.20	1.97-1.86 pm	2.34
Austria	26.56-26.75	26.70-26.75	7-5½gro pm	2.91	18½-12½ pm	2.19
Switz.	3.10½-3.13½	3.11½-3.12½	1¾-1⅝c pm	5.77	4¾-3½ pm	5.13

Belgian rate is for convertible francs. Financial franc 80.65-80.75. Six-month forward dollar 1.33-1.38c dis. 12-month 3.00-3.10c dis.

THE DOLLAR SPOT AND FORWARD

March 16	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.4430-1.4550	1.4465-1.4475	0.18-0.23c dis	-1.70	0.60-0.65dis	-1.73
Ireland†	1.1635-1.1775	1.1635-1.1645	0.23-0.20c pm	2.21	0.75-0.67 pm	2.43
Canada	1.2692-1.2715	1.2699-1.2700	0.04-0.01c pm	0.24	0.05-0.02 pm	0.11
Nethlnd.	2.9400-2.9650	2.9615-2.9635	1.15-1.05c pm	4.47	3.12-3.02 pm	4.17
Belgium	53.25-53.80	53.70-53.72	14-16c dis	-3.35	33-38 dis	-2.64
Denmark	9.5275-9.6000	9.5925-9.5975	10ore pm-40dis	-0.19	0.60 pm-par	0.10
W. Ger.	2.5965-2.6300	2.6220-2.6230	1.15-1.10pf pm	5.15	3.08-3.03 pm	4.66
Portugal	131.25-132.75	131.75-132.25	115-285c dis	-18.17	380-800dis	-17.86
Spain	150.10-151.10	150.80-150.90	70-90c dis	-6.36	240-260 dis	-6.89
Italy	1619½-1628	1626-1627	6½-9¼lire dis	-5.65	26-27 dis	-9.52
Norway	7.5200-7.5550	7.5450-7.5500	2.05-2.55ore dis	-3.66	5.40-5.90dis	-2.99
France	8.0075-8.1075	8.0800-8.0850	2.80-3.30c dis	-4.52	10-11 dis	-5.19
Sweden	7.7450-7.7900	7.7700-7.7750	15orepm-35dis	-0.15	par-0.50 dis	-0.13
Japan	224.25-226.20	225.65-225.75	0.74-0.70y pm	3.94	2.28-2.23 pm	4.00
Austria	18.32-18.49	18.42-18.44	7.40-6.80gro pm	4.62	19-17 pm	3.90
Switz.	2.1445-2.1625	2.1525-2.1535	1.30-1.25c pm	7.10	3.63-3.58 pm	6.78

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 55.30-55.40.

OTHER CURRENCIES

Mar. 16	£	$		£ Note Rates
Argentina Peso	44.46-44.56	30.70-30.73	Austria	26.50-26.80
Australia Dollar	1.5000-1.5020	1.0380-1.0385	Belgium	79.60-80.40
Brazil Cruzeiro	1,826.5-1,836.6	1,261-1,267	Denmark	13.77-13.81
Finland Markka	8.1555-8.1665	5.6375-5.6425	France	11.61-11.73
Greek Drachma	149.60-150.00	103.25-103.55	Germany	3.78½-3.82½
Hong Kong Dollar	11.27½-11.28¾	7.7930-7.7980	Italy	2330-2360
Iran Rial	125.00*	86.30*	Japan	325-330
Kuwait Dinar(KD)	0.4225-0.4235	0.2922-0.2926	Netherlands	4.25-4.29
Luxembourg Fr.	77.65-77.75	53.70-53.72	Norway	10.88-10.98
Malaysia Dollar	3.3075-3.3175	2.2870-2.2900	Portugal	186-196
New Zealand Dlr.	2.1500-2.1535	1.4860-1.4865	Spain	211¾-221¼
Saudi Arab. Riyal	5.0750-5.0865	3.5100-3.5110	Sweden	11.18-11.30
Singapore Dollar	3.0150-3.0250	2.0850-2.0890	Switzerland	3.10½-3.15½
Sth African Rand	1.7850-1.7865	1.2340-1.2350	United States	1.43½-1.45½
U.A.E. Dirham	5.3095-5.3150	3.6720-3.6730	Yugoslavia	182-192

* Selling rates.

EXCHANGE CROSS RATES

Mar. 16	Pound Sterling	U.S. Dollar	Deutsche m'k	Japanese Yen	French Franc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.447	3.798	326.8	11.693	3.118	4.288	2353.	1.857	77.70
U.S. Dollar	0.691	1.	2.625	225.7	8.083	2.153	2.963	1627.	1.270	53.71
Deutschemark	0.263	0.381	1.	86.04	3.079	0.821	1.129	619.8	0.484	20.46
Japanese Yen 1,000	3.060	4.428	11.62	1000.	35.78	9.541	13.12	7201.	5.622	237.8
French Franc 10	0.855	1.237	3.248	279.5	10.	2.666	3.667	2012.	1.571	66.45
Swiss Franc	0.321	0.464	1.218	104.8	3.751	1.	1.376	754.8	0.589	24.92
Dutch Guilder	0.233	0.337	0.886	76.21	2.727	0.727	1.	548.8	0.428	18.12
Italian Lira 1,000	0.425	0.615	1.614	138.8	4.968	1.325	1.822	1000.	0.781	33.02
Canadian Dollar	0.544	0.788	2.067	177.8	6.365	1.697	2.334	1281.	1.	42.30
Belgian Franc 100	1.287	1.862	4.887	420.5	15.05	4.012	5.518	3028.	2.364	100.

MONEY MARKETS

Further shortage

Day to day credit was in short supply in the London money market yesterday. The Bank of England forecast a shortage of around £700m with factors affecting the market including maturing assistance and a take up of Treasury bills together draining £568m and a rise in the note circulation a further £250m. In addition banks brought forward balances £60m below target. On the other hand Exchequer transactions added £165m.

The Bank gave an early round of assistance comprising purchases of £56m of eligible bank bills in band 1 (up to 14 days) at 8 15/16 per cent and £80m in band 2 (15-33 days) at 8⅞ per cent. In band 3 (34-63 days) it bought £46m of eligible bank bills at 8 13/16 per cent and in band 4 (64-91 days) £2m of local authority bills and £123m of eligible bank bills all at 8¾ per cent. Additional help in the morning comprised purchases of £17m of eligible bank bills in band 1 at 8 15/16 per cent, £10m in band 3 at 8 13/16 per cent and £26m in band 4 at 8¾ per cent. It also arranged sale and repurchase agreements on £198m of bills at 8⅞-8⅝ per cent, unwinding on April 4.

In the afternoon the Bank bought £2m of eligible bank bills in band 2 at 8⅞ per cent and £32m in band 3 at 8 13/16 per cent, making a grand total of £592m.

Three-month eligible bank bills were bid at 8 11/16 per cent, unchanged from Thursday and three-month interbank money was also unchanged at 8¾-8⅞ per cent. Weekend money opened at 8¾-8⅞ per cent and eased to 8-8½ per cent after the second round of morning assistance. Rates edged up to 8⅝-8¾ per cent before slipping away again to 8-8½ per cent. Late demand pushed closing balances up to 9-10 per cent however.

At yesterday's Treasury bill tender the average rate of discount fell to 8.3498 per cent from 8.4709 per cent and the £100m of bills on offer attracted bids of £587m.

UK clearing banks' base lending rate 8½-8¾ per cent (since March 15 and 16)

LONDON MONEY RATES — Discount Houses Deposit and Bill Rates

Mar. 16 1984	Sterling Certificate of deposit	Interbank	Local Authority deposits	Company Deposits	Market Deposits	Treasury (Buy)	Treasury (Sell)	Eligible Bank (Buy)	Eligible Bank (Sell)	Fine Trade (Buy)
Overnight	—	8-10	8¾	8⅞	7⅝-9	—	—	—	—	—
2 days notice	—	—	8¾	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 day notice	—	8⅝-8¾	8¾	8⅞	8⅝	—	—	—	—	—
One month	8 [illegible]-8¾	8¾-8⅞	8¾	0	8½-8⅝	8 [illegible]	8½	8 [illegible]	8½	0 [illegible]
Two months	8 [illegible]-8¾	8¾-8⅞	8¾	0	8½-8 [illegible]	8 [illegible]	8 [illegible]	8 [illegible]	8 [illegible]	0 [illegible]
Three months	8 [illegible]-8¾	8¾-8⅞	8¾	0	8½-8 [illegible]	8 [illegible]	8 [illegible]	8 [illegible]	8⅝	9 [illegible]
Six months	8 [illegible]-8 [illegible]	8⅞-9	8 [illegible]	—	—	—	—	8 [illegible]-8 [illegible]	8 [illegible]	9 [illegible]
Nine months	9 [illegible]-0 [illegible]	9-8⅛	9 [illegible]	—	—	—	—	—	—	—
One year	9 [illegible]-8 [illegible]	8 [illegible]-0 [illegible]	0 [illegible]	—	—	—	—	—	—	—

	Local Auth. negotiable bonds	Local Authority Deposits	Finance House Deposits	$ Cert of Deposits	SDR Linked Deposits	ECU Linked Deposits
One month	9¼-8⅛	—	8 [illegible]	9.95-16.85	9-9¼	9 [illegible]-8⅞
Two months	9¼-8⅞	—	8 [illegible]	10.05-10.15	0⅛-0⅛	0 [illegible]-9⅞
Three months	8¾-8⅞	—	8 [illegible]	10.15-10.25	0¼-0⅛	8¾-9 [illegible]
Six months	0 [illegible]-8 [illegible]	—	9	10.4-10.5	0⅝-0⅝	0 [illegible]-10
Nine months	8⅝-0	—	9⅛	10.6-10.8	—	—
One year	9¾-0	—	9 [illegible]	10.8-11.0	9 [illegible]-9 [illegible]	10 [illegible]-10⅛
Two years	—	9⅞	—	—	—	—
Three years	—	10⅛-9⅞	—	—	—	—
Four years	—	10⅝-10⅛	—	—	—	—
Five years	—	10⅛-10¼	—	—	—	—

ECGD Fixed Rate Export Finance Scheme IV Average Rate for interest period February 8 to March 9 1984 (inclusive): 9.372 per cent. Local authorities and finance houses seven days' notice, others seven days' fixed. Finance Houses Base Rates (published by the Finance Houses Association): 9½ per cent from March 1 1984. London and Scottish Clearing Bank Rates for lending 8½-8¾ per cent. London Deposit Rate for sums at seven days' notice 5¼-5½ per cent. Treasury Bills: Average tender rates of discount 9.3498 per cent. Certificates of Tax Deposit (Series 91). Deposits of £100,000 and over held under one month 9 per cent; one-three months 9 per cent; three-six months 9¼ per cent; six-12 months 9½ per cent. Under £100,000 8¾ per cent from March 15. Deposits held under Series 4-5 9¼ per cent. The rate for all deposits withdrawn for cash 7 per cent.

FT LONDON INTERBANK FIXING

LONDON INTERBANK FIXING
(11.00 a.m. March 16)

3 months U.S. dollars	
bid 10 5/16	offer 10 7/16

6 months U.S. dollars	
bid 10 5/8	offer 10 3/4

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 a.m. each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

EURO-CURRENCY INTEREST RATES (Market closing rates)

Mar.16	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	D-mark	French Franc	Italian Lira	Belgian Franc Conv.	Belgian Franc Fin.	Yen	Danish Kroner
Short term	8⅝-8⅞	0⅞-10⅛	9½-10	6¼-9⅝	2-9¼	5 [illegible]-5 [illegible]	12⅛-12¾	15¾-16¾	16½-15	11½-16	6 [illegible]-6 [illegible]	10⅝-10⅞
7 days' notice	8⅝-8¾	0⅞-10⅛	9¾-10	6⅛-9¼	2.6⅛	5½ 5 [illegible]	16⅝-12⅞	16¼-17¼	15-14½	11¾-12	9 [illegible]-6 [illegible]	11-11½
Month	8 [illegible]-8 [illegible]	10-10⅛	9 [illegible]-10 [illegible]	6⅛-6¼	3 [illegible]-5 [illegible]	5 [illegible] 5 [illegible]	14⅝-14⅝	16½-17	13⅛-13¾	11¾-12	6 [illegible]-6 [illegible]	10⅞-11⅛
Three months	8¾-8⅞	10⅛-10⅛	10 [illegible]-10 [illegible]	9⅛ 6¼	3 [illegible]-5 [illegible]	5 [illegible]-9⅝	15¾-16	16⅞-17⅜	15-15½	11¾-18	6 [illegible]-6 [illegible]	10⅞-11⅛
Six months	8⅞-0	10 [illegible]-10 [illegible]	10 [illegible]-10 [illegible]	9 [illegible]-6 [illegible]	5⅛-3⅞	5¾-5 [illegible]	15⅞-19⅛	17¼-17¾	18½-15	11¾-12	9 [illegible]-6 [illegible]	10⅞-11⅛
One year	[illegible]	11-11¼	[illegible]	[illegible]	[illegible]	[illegible]	15⅞-16⅛	17¼-18¼	18½-15½	11¾-18	[illegible]	11¼-11⅝

Asian $ (closing rates in Singapore). Short-term 10-10⅛ per cent; seven days 10-10⅛ per cent; one month 10⅛-10¼ per cent; three months 10¼-10⅜ per cent; six months 10⅝-10¾ per cent; one year 11⅛-11¼ per cent. Long-term Eurodollars two years 11⅝-11¾ per cent; three years 12⅛-12¼ per cent; four years 12⅛-12⅜ per cent; five years 12½-12⅝ per cent nominal closing rates. Short-term rates are call for U.S. dollars and Japanese yen; two days' notice.

COMMODITIES AND AGRICULTURE

WEEKLY PRICE CHANGES

	Latest prices per tonne unless stated	Ch'nge on week	Year ago	1983/84 High	1983/84 Low
METALS					
Aluminium	£1100		£810/816	£1100	£810/816
Free Market c.i.f.	$1510/1540	-25	$1345/1375	$1555/1585	$995/1025
Antimony					
Free Market 99.6%	$5400/3450	-25	[illegible]	[illegible]	[illegible]
Copper Cash High Grade	£1044.5	+25	£1072	£1191.5	£907.75
3 months Do. Do.	£1060.5	+20.75	£1102.75	£1117.25	£951.2
Cash Cathode	£1033	+25.5	£1052.75	£1081.25	£903
3 months Do.	£1051	+30.5	£1080.5	£1145.5	£915.5
Gold per oz	$393.75	-7.75	$437.5	$509.25	$367
Lead Cash	£314.5	+5	£293.25	£315	£257
3 months	£320.5	+4.55	£305.25	£318.75	£266.75
Nickel	£4635		[illegible]	[illegible]	[illegible]
Free Market c.i.f.	212/232c	+4	[illegible]	[illegible]	[illegible]
Palladium per oz	$160.00	-0.75	[illegible]	[illegible]	[illegible]
Platinum per oz	$370.05		$275.00	$418.05	$344.60
Quicksilver (76 lbs)	$305/310	+7.5	[illegible]	[illegible]	[illegible]
Silver per oz	649.70p		710.50p	[illegible]	[illegible]
3 months per oz	663.35p		[illegible]	[illegible]	[illegible]
Tin Cash	£8560		[illegible]	[illegible]	[illegible]
3 months	£8667.5		[illegible]	[illegible]	[illegible]
Tungsten Ind.	$75.59		[illegible]	[illegible]	[illegible]
Wolfram (22.04 lb)	[illegible]		[illegible]	[illegible]	[illegible]
Zinc Cash	£718	-9.5	[illegible]	[illegible]	[illegible]
3 months	£700.75		[illegible]	[illegible]	[illegible]
Producers	$1,050		$750	$1,050	$750
GRAINS					
Barley Futures	£122.50z	+0.25	£121.95	£124.55	£109.35
Maize French	£147.50		£147.00	£161.00	£141.00
WHEAT Futures	£126.70z	-1.50	£116.00	£138.85	£112.10
No. 2 Hard Winter Wheat	[illegible]		[illegible]	[illegible]	[illegible]
SPICES					
Cloves	$5,400w	+100	$6,900	$6,900	$5,200
Pepper, white	$4,600w		[illegible]	[illegible]	[illegible]
black	$3,900w		[illegible]	[illegible]	[illegible]
OILS					
Coconut (Philippines)	$1187w	+47	$480	$1,200	$450
Groundnut	[illegible]		[illegible]	[illegible]	[illegible]
Linseed Crude	[illegible]		[illegible]	[illegible]	[illegible]
Palm Malayan	$760y	+60	$375	[illegible]	[illegible]
SEEDS					
Copra (Philippines)	[illegible]		$325	$805	[illegible]
Soyabeans (U.S.)	$326.5x	+8	[illegible]	[illegible]	[illegible]
OTHER COMMODITIES					
Cocoa Shipment	£1,841	+78	[illegible]	£2,134	£1,107
Cocoa Futures May	£1,817	+98.5	[illegible]	£2,061	£1,105
Coffee Futures May	£1,891	+33.5	[illegible]	[illegible]	[illegible]
Cotton Index	86.65c		[illegible]	[illegible]	[illegible]
Dess. Coconut	$1050		$700	$1,090	$510
Gas Oil Fut. April	$245.25		[illegible]	[illegible]	[illegible]
Jute UA BWC grade	$610w		[illegible]	[illegible]	[illegible]
Rubber kilo	[illegible]		[illegible]	[illegible]	[illegible]
Sago Pearl	[illegible]		[illegible]	[illegible]	[illegible]
Sisal No. 3	[illegible]		[illegible]	[illegible]	[illegible]
Sugar (Raw)	[illegible]		[illegible]	[illegible]	[illegible]
Tapioca No. 1	$225w		[illegible]	[illegible]	[illegible]
Tea (quality) kilo	[illegible]		[illegible]	[illegible]	[illegible]
(low med) kilo	[illegible]		[illegible]	[illegible]	[illegible]
Wooltops 64s Super	465p kilo		405p kilo	[illegible]	[illegible]

Unquoted. (v) April. (z) May. (w) March-April. (y) April-May. (x) June.

REVIEW OF THE WEEK

Copper prices advance to sixth-month high

BY OUR COMMODITIES STAFF

COPPER PRICES advanced yesterday on the London Metal Exchange to the highest level since September last year. The higher grade cash price closed last night £22 up on the day at £1,044.5 a tonne, £33 higher than a week ago.

The continued upward trend in prices was encouraged by news of a substantial fall in stocks held in the LME warehouses. Total holdings dropped by 23,725 tonnes to 354,200 tonnes, over 81,000 tonnes below the five-year peak reached in mid-January.

Although copper stocks in the Comex (New York) warehouses remain hardly changed at above 400,000 short tons, those in the LME and European warehouses have apparently been depleted by improved demand and leading exporting countries diverting shipments to Japan. The shortage of scrap copper is also putting pressure on the primary markets.

New York has been somewhat reluctant to follow London, but U.S. producers have taken the opportunity to lift their domestic selling prices again. Asarco last night raised its price by 1 cent to 74 cents a pound.

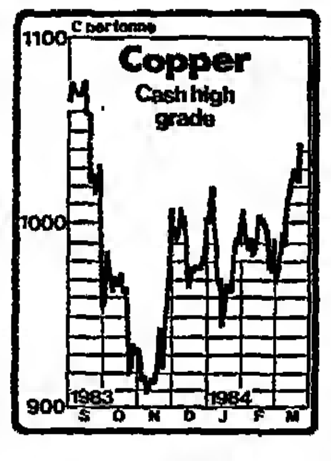
Other metals showed a more uncertain trend. Cash aluminium gained only £6 to £1,017.5 a tonne and is now at a discount to copper. Cash zinc lost £9.5 to £718 a tonne as the squeeze on immediately available supplies eased, although the three months quotation ended the week marginally higher. Gold was also unable to sustain a move above $400 and ended the week $7.75 lower at $394 an ounce.

Cocoa futures continued to fluctuate violently, but ended the week substantially higher. The May position closed last night at £1,816.5 tonne, £98.5 up on a week ago, following reports of Brazilian production being hit by a long dry spell in Bahia.

London merchants, Gill and Duffus, in its latest market report cut its forecast of the likely deficit in production against consumption this season to 56,000 tonnes, compared with its January prediction of a shortfall of 92,000 tonnes.

The report increased estimates of West African crops and cut consumption forecasts. However it noted that 56,000 tonnes still represented a "substantial deficit" (more than some traders have been predicting) and added that there was little to suggest current prices overstated the supply shortfall. The market seems to agree.

Coffee prices moved up on the London Robusta futures market, in spite of moves by Brazil to lower its export prices. It was considered that a reduction in the contribution quota (export tax) announced by Brazil on sales, from April 1, was insufficient to attract much extra buying interest from roasters.



Pigmeat futures made its debut on the Baltic Exchange in London yesterday with turnover reaching 706 lots (of 50 carcasses each equivalent to 1,350 kilos). It was considered a promising start for Europe's first ever meat futures market. Prices for the first delivery month (June) ranged from a low of 110.6p to a high of 112.3p before closing at 111.5p a kilo (deadweight).

BASE METALS

COPPER

Amalgamated Metal Trading reported that in the morning cash Higher Grade traded at £1,037.50, 38, 38.50, three months £1,062, 61.50, 62, 62.50, 63, 63.50, 64. Cathodes: Cash £1,033. Kerb: Higher Grade: Three months £1,064, 64.50, 65. Afternoon: Higher Grade: Three months £1,061, 62, 61, 61.50, 62, 61, 60.50, 61, 60.50, 61. Kerb: Higher Grade: Three months £1,060, 59, 58.50, 59, 58, 57, 58, 57, 58, 58.50, 60. Turnover: 37,500 tonnes. U.S. Producers: 72.00-77.00 cents a pound.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
HighGrde	£	£	£	£
Cash	1037.5-8.5	+16.2	1044-5	+22
3 months	1062.5-4	+18.5	1060-1	+19.7
Settlem't	1038.5	+18.5	—	
Cathodes				
Cash	1013-5	+29.5	1031-5	+23
3 months	1049-4	+19	1050-2	+22
Settlem't	1033	+28	—	

ALUMINIUM

Aluminium—Morning: Three months £1,034, 36, 37, 38, 39. Kerb: Three months £1,038, 37.50, 38. Afternoon: Three months £1,040, 41, 41.50, 42, 41.80, 42, 41, 40.50. Kerb: Three months £1,040, 39, 38, 38.50, 40. Turnover: 21,500 tonnes.

Aluminium	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Spot	1013-6	+8	1017-8	+16
3 months	1038.5-9	+13	1040-1	+15

NICKEL

Nickel—Morning: Cash £3,295, three months £3,350, 60. Afternoon: Three months £3,345, 50. Kerb: Three months £3,350. Turnover: 1,434 tonnes.

NICKEL	a.m. Official	+ or —	p.m. Unofficial	+ or —
Spot	3295-300	+29.5	3285-90	+32.9
3 months	5360-1	+28.5	3345-50	+25

TIN

Tin—Morning: Standard: Cash £8,565, 60, three months £8,690, 85, 80, 81. Kerb: Standard: Three months £8,680, 85. Afternoon: Standard: Three months £8,690, 80, 50, 70, 65, 68. Kerb: Standard: Three months £8,670, 65, 60. Turnover: 1,945 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grde	£	£	£	£
Cash	8560-5	+40	8545-55	+30
3 months	8690-5	+40	8650-60	+35
Settlem't	8565	+40	—	
Standard				
Cash	8555-60	+40	8555-45	+25
3 months	8681-2	+40	8665-70	+35
Settlem't	8560	+40	—	
Straits E	$30.15			

LEAD

Lead—Morning: Cash £313.50, three months £320, 19, 18.50, 19, 18.50, 19, 18.50, 18, 18.50, 19. Kerb: Three months £319, 19.50, 20, 19.50. Afternoon: Three months £320, 19.50, 19, 18.50, 18.50, 19, 18.50, 18, 18.50. Kerb: Three months £320, 18.50, 19, 20, 21. Turnover: 21,250 tonnes. U.S. Spot: 25.00-28.00 cents a pound.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	313-4	+4.75	314-5	+7
3 months	318.5-9	+4.5	320-1	+6
Settlem't	314	+7	—	

ZINC

Zinc—Morning: Cash £726, 21, three months £698, 99, 700, 699, 700, 700.50, 1, 700. Kerb: Three months £701, 1, 2. Afternoon: Three months £701, 2, 700, 1, 700, 699, 99.50. Kerb: Three months £699. Turnover: 21,200 tonnes. U.S. Prime Western: 53.00-55.75 cents a pound.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	720-1	+23	717-9	+18.9
3 months	700.5	+1.5	699.5-700	+59
Settlem't	721	+22	—	

SILVER

Silver was fixed 3.65p an ounce higher for spot delivery in the London bullion market yesterday at 649.70p. U.S. cent equivalents of the fixing levels were: spot $9.427, up 0.9c; three-month $9.664, up 0.7c; six-month $9.917, up 1.4c; and 12-month $10.436, up 1.0c. The metal opened at 647½-650½p ($9.42-9.45) and closed at 655-658p ($9.48-9.51).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	649.70p	+3.65	650p	+6
3 months	663.35p	+4.75	664.5p	+6
6 months	677.45p	+4.25	—	
12months	706.45p	+4.55	—	

LME—Silver (2,000 oz contract): cash 652p (650p); three months 668p (664.5p). Turnover: 0 (4). Turnover: 152 (249) lots of 10,000 oz. Morning: Large cash 652.0, three months 664.0, 63.0, 65.0, 64.5. Kerb: large three months 664.0. Afternoon: large three months 670.0, 71.0, 70.0. Kerb: large three months 670.0, 69.0.

COCOA

COCOA	Yesterday's Close	+ or —	Business Done
	£ per tonne		
March	1790-94	+5.0	1790-84
May	1816-16	+10.5	1825-03
July	1814-16	+14.0	1825-05
Sept	1795-98	+3.0	1800-88
Dec	1781-83	-11.0	1795-78
March	1778-80	-11.0	1788-78
May	1772-78	-11.6	1785-78

Sales: 7,427 (6,130) lots of 10 tonnes. ICCO indicator prices (U.S. cents per pound). Daily price for March 15: 118.49 (115.83); five-day average for March 16: 114.71 (112.95).

COFFEE

COFFEE	Yest'day's Close	+ or —	Business Done
March	2125-40	+4.6	2163-20
May	1865-67	+15.5	1868-51
July	1812-14	+15.0	1813-95
Sept	1805-08	+15.5	1810-794
Nov	1815-26	+16.0	1857-57
January	1780-87	+16.0	1790-84
March	1750-60	+14.0	1750-45

Sales: 3,462 (4,898) lots of 5 tonnes. ICO indicator prices (U.S. cents per pound) for March 15: Comp. daily 1979 142.34 (142.33); 15-day average 143.19 (143.17).

GRAINS

LONDON GRAINS—Wheat: U.S. Dark Northern Spring No 1 14 per cent April/May 154, June 135, July 134.25 sellers trans shipment East Coast. Maize: French March 147.50 seller East Coast. Barley: English feed fob April/June 127 bid East Coast. Rest unquoted.

Mnth	WHEAT Yesterd'ys close	+ or —	BARLEY Yest'rd'ys close	+ or —
Mar.	124.70	-1.00	121.00	-0.40
May	126.70	-1.10	102.50	-0.50
July	128.80	-0.90	—	—
Sept.	110.50	-0.25	107.95	-0.15
Nov.	113.35	-0.25	110.10	-0.05
Jan.	116.40	-0.19	112.65	-0.10

Business done—Wheat: March 125.25-4.50, May 128.00-4.30, July 129.50-8.50, Sept 110.60-10.20, Nov 113.30-3.00, Jan 116.50-6.05. Sales: 480 lots of 100 tonnes. Barley: March untraded, May 173.40-2.50, Sept 107.35-7.10, Nov 110.20-10.10, Jan 112.70-2.65. Sales: 71 lots of 100 tonnes.

HGCA—Locational ex-farm spot prices. Feed barley: Eastern 120.00, E. Mids 119.90, N. East 122.00. The UK monetary coefficient for the week beginning Monday March 19 is expected to change to 0.963.

POTATOES

Month	Yesterday's close	Previous close	Business Done
April	208.50	207.80	208.50-205.5
May	235.00	235.70	235.00-231.5
Nov	75.30	74.50	—
Feb	85.50	85.50	—
April	100.60	100.00	101.00-100.6

Sales: 459 (245) lots of 40 tonnes.

RUBBER

The London physical market opened slightly easier, attracted little interest throughout the day and closed on an inactive note, reports Lewis and Peat. The Kuala Lumpur April fob price for RSS No 1 was 282.5 (284.0) cents a kg and for SMR 20 238.5 (239.5).

No. 1 R.S.S.	Yesterday's close	Previous close	Business Done
	£ per tonne		
Apr.	800-815	795-820	—
May	805-815	800-815	807
Apr-Jne	805-815	800-815	—
Jly-Sept	845-849	845-849	850-840
Oct-Dec	869-871	866-870	872-870
Jan-Mar	893-895	891-895	—
Apl-Jne	904-910	900-915	—
Jly-Sept	905-915	915-930	—
Oct-Dec	938-961	935-955	—

Sales: 17 (31) lots of 15 tonnes. Physical closing prices (buyers) spot 83.50p (same); April 83.50p (same); May 84.50p (same).

SOYABEAN MEAL

	Yesterday's close	+ or —	Business Done
	£ per tonne		
April	[illegible]		[illegible]
June	[illegible]		[illegible]
August	[illegible]		[illegible]
October	[illegible]		[illegible]
Dec	[illegible]		[illegible]
Feb	[illegible]		[illegible]
April	[illegible]		[illegible]

Sales: 119 (63) lots of 100 tonnes.

SUGAR

No. 4 Con-tract	Yestday's close	Previous close	Business done
	£ per tonne		
May	[illegible]	[illegible]	[illegible]

No. 2 Contract	$ per tonne		
May	[illegible]	[illegible]	[illegible]
Aug	[illegible]	[illegible]	[illegible]
Oct	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]

LONDON OIL

CRUDE OIL FUTURES

Month	Yest'day's close	+ or —	Business Done
	U.S. per barrel		
April	30.45	+0.35	—
May	30.35	-0.20	—
June	30.40	-0.10	30.40
July	30.50	—	—
Aug	30.50	—	—

SPOT PRICES

	Latest	Change + or —
CRUDE OIL—FOB ($ per barrel)		
Arabian Light	28.60-28.90	—
Iranian Light	27.50-27.75	-0.05
Arab Heavy	26.65-26.85	—
North Sea (Forties)	29.80-30.00	—
North Sea (Brent)	29.80-30.00	-0.05
African(Bonny LiPht)	29.70-30.20	—
PRODUCTS—North West Europe ($ per tonne)		
Premium gasoline	284-289	-1
Gas Oil	252-256	-1
Heavy fuel oil	181-185	+1

GAS OIL FUTURES

Weaker prices on the U.S. close brought the gas oil market in slightly down and prices drifted gently lower throughout the day as a more bearish sentiment began to take a hold on the physical market, reports Heinold Commodities.

Month	Yest'day's close	+ or —	Business Done
	$ U.S. per tonne		
Mar.	246.25		[illegible]
April	245.25		[illegible]
May	248.00		[illegible]
June	249.00		[illegible]
July	248.00		[illegible]
Aug	247.00		[illegible]
Sept	250.00		[illegible]
Oct	252.00		[illegible]
Nov	253.00		—

Turnover: 1,544 (1,747) lots of 100 tonnes.

GOLD MARKETS

Gold fell $1¾ an ounce from Thursday's close in the London bullion market yesterday to finish at $393¾-394¼. The metal opened at $392¾-393¾ and touched a high of $394¾-395¼ and a low of $391¾-392¼. Trading was quiet for most of the day and the weaker trend was partly attributable to the dollar's recent strength.

LONDON FUTURES

Month	Yest'days close	+ or —	Business Done
	$ per troy ounce		
April	[illegible]		[illegible]
June	[illegible]		[illegible]
Aug	[illegible]		[illegible]
Oct	[illegible]		[illegible]
Dec	[illegible]		[illegible]

	Mar. 16	Mar. 15
Gold Bullion (fine ounce)		
Close	$393¾-394¼ (£272¼-272¾)	$395¾-395¾ (£272½-273)
Opening	$392¾-393¾ (£271-271¾)	$395¾-396¼ (£269-269½)
Morning fixing	$392.80 (£271.357)	$394.10 (£269.504)
Afternoon fixing	$392.30 (£271.379)	$394.10 (£270.160)
Gold and Platinum Coins Mar. 16		
Krugrand	$405¼-406¼ (£280¼-281¼)	King Sov $92¾-94 (£64-65)
½ Krug	$209½-210 (£144¾-145¼)	Victoria Sov $92¾-94 (£64-65)
¼ Krug	$106¾-107¼ (£73¾-74¼)	French 20s $74-82 (£51¼-56¾)
1/10 Krug	$43¼-44¼ (£29¾-30¼)	50 Pesos Mex $487-489 (£336¾-338¼)
Maple leaf	$405¼-406¼ (£280¼-281¼)	100 Cor. Aust $385-388 (£266¼-268¼)
New Sov.	$94-95 (£64¾-65¾)	$20 Eagle $616-623 (£426-431)
½ New Sov.	$53¾-54½ (£36¾-37¼)	Noble Plat $409¼-414¼ (£283-286)

INDICES

FINANCIAL TIMES

Mar. 15	Mar. 14	M'th ago	Y'ar ago
302.56	301.37	290.77	255.73

(Base: July 1 1952=100)

REUTERS

Mar. 16	Mar. 15	M'th ago	Y'ar ago
1967.8	1959.5	1983.0	1718.0

(Base: September 18 1931=100)

MOODY'S

Mar. 7	Mar. 6	M'th ago	Yearago
1068.8	1067.1	1054.9	1098.9

(Base: December 31 1931=100)

DOW JONES

Dow Jones	Mar. 7	Mar. 6	Month ago	Year ago
Spot	141.55	141.99	137.56	138.57
Fut's	144.86	145.46	139.40	146.55

(Base: December 31 1974=100)

AMERICAN MARKETS

NEW YORK, March 16.

COPPER PRICES remained strong on expectations of a continued drawdown of LME stocks and finished sharply higher, reports Heinold Commodities. Aluminium prices were only slightly higher as a build-up in Comex stocks restrained the trade optimism. Heating oil was weak on technical selling which attracted stop-loss selling and forecasts of moderating temperatures added to the bearish tone of the market. Sugar prices were generally steady to firm on strong buying by commission houses, particularly in back months. Cotton prices weakened on the Government announcement that it would sell 100,000 bales of CCC stocks. Cocoa prices were under selling pressure after a leading trade house reduced the projected deficit from 92 million tonnes to 56 million tonnes. Coffee prices were moderately higher on continued uncertainty about Brazilian sales policy. Soyabean prices collapsed late in the day on heavy local selling and massive commission house stop-loss selling. Maize were largely unaffected by the negative psychology and closed mixed while wheat was fractionally lower.

NEW YORK

ALUMINIUM 40,000 lb, cents/lb

	Close	High	Low	Prev
March	69.30	69.65	69.60	69.25
April	69.85	—	—	69.80
May	70.30	71.00	70.25	70.25
July	71.50	—	—	71.45
Sept	72.70	—	—	72.65
Dec	74.35	—	—	74.30
Jan	74.90	—	—	74.85
March	76.00	—	—	75.95
May	77.10	—	—	77.05
July	78.20	—	—	78.15

COCOA 10 tonnes, $/tonnes

	Close	High	Low	Prev
March	2645	2645	2613	2635
May	[illegible]	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	[illegible]	[illegible]

COFFEE "C" 37,500 lb, cents/lb

	Close	High	Low	Prev
March	[illegible]	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]	[illegible]

COPPER 25,000 lb, cents/lb

	Close	High	Low	Prev
March	[illegible]	[illegible]	[illegible]	[illegible]
April	[illegible]	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]
Jan	[illegible]	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	[illegible]	[illegible]

COTTON 50,000 lb, cents/lb

	Close	High	Low	Prev
March	[illegible]	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	[illegible]	[illegible]
Oct	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	[illegible]	[illegible]

CRUDE OIL (LIGHT) 42,000 U.S. galls, $/barrels

	Latest	High	Low	Prev
April	[illegible]	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]	[illegible]
June	[illegible]	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	[illegible]	[illegible]
August	[illegible]	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]	[illegible]
Oct	[illegible]	[illegible]	[illegible]	[illegible]
Nov	[illegible]	[illegible]	[illegible]	[illegible]

GOLD 100 troy oz, $/troy oz

	Close	High	Low	Prev
March	[illegible]	[illegible]	[illegible]	[illegible]
April	[illegible]	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]	[illegible]
June	[illegible]	[illegible]	[illegible]	[illegible]
Aug	[illegible]	[illegible]	[illegible]	[illegible]
Oct	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]
Feb	[illegible]	[illegible]	[illegible]	[illegible]
April	[illegible]	[illegible]	[illegible]	[illegible]
June	[illegible]	[illegible]	[illegible]	[illegible]
August	[illegible]	[illegible]	[illegible]	[illegible]
Oct	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]

HEATING OIL 42,000 U.S. gallons, cents/U.S. gallons

	Latest	High	Low	Prev
April	[illegible]	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]	[illegible]
June	[illegible]	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	[illegible]	[illegible]
August	[illegible]	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]	[illegible]
Oct	[illegible]	[illegible]	[illegible]	[illegible]
Nov	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]

ORANGE JUICE 15,000 lb, cents/lb

	Close	High	Low	Prev
March	[illegible]	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]	[illegible]
Nov	[illegible]	[illegible]	[illegible]	[illegible]
Jan	[illegible]	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]	[illegible]

PLATINUM 50 troy oz, $/troy oz

	Close	High	Low	Prev
April	[illegible]	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	[illegible]	[illegible]
Oct	[illegible]	[illegible]	[illegible]	[illegible]
Jan	[illegible]	[illegible]	[illegible]	[illegible]
April	[illegible]	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	[illegible]	[illegible]

SILVER 5,000 troy oz, cents/troy oz

	Close	High	Low	Prev
March	949.7	955.0	945.0	950.5
April	953.0	956.0	950.0	954.0
May	960.0	966.0	952.0	962.0
July	977.2	982.0	969.0	979.2
Sept	994.7	—	—	996.5
Dec	1021.5	1028.0	1014.0	1022.8
Jan	1030.5	1040.0	1040.0	1031.8
March	1050.9	1056.0	1041.0	1051.8
May	1070.7	1074.0	1058.0	1072.0
July	1091.9	1095.0	1085.0	1093.2

SUGAR WORLD "11" 112,000 lb, cents/lb

	Close	High	Low	Prev
May	[illegible]	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]	[illegible]
Oct	[illegible]	[illegible]	[illegible]	[illegible]
Jan	[illegible]	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	[illegible]	[illegible]

CHICAGO

LIVE CATTLE 40,000 lb, cents/lb

	Close	High	Low	Prev
April	[illegible]	[illegible]	[illegible]	[illegible]
June	[illegible]	[illegible]	[illegible]	[illegible]
Aug	[illegible]	[illegible]	[illegible]	[illegible]
Oct	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]
Feb	[illegible]	[illegible]	[illegible]	[illegible]

LIVE HOGS 30,000 lb, cents/lb

	Close	High	Low	Prev
April	[illegible]	[illegible]	[illegible]	[illegible]
June	[illegible]	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	[illegible]	[illegible]
Aug	[illegible]	[illegible]	[illegible]	[illegible]
Oct	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]
Feb	[illegible]	[illegible]	[illegible]	[illegible]
April	[illegible]	[illegible]	[illegible]	[illegible]

MAIZE 5,000 bu min, cents/56-lb bushel

	Close	High	Low	Prev
March	[illegible]	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]	[illegible]

PORK BELLIES 38,000 lb, cents/lb

	Close	High	Low	Prev
March	[illegible]	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	[illegible]	[illegible]
August	[illegible]	[illegible]	[illegible]	[illegible]
Feb	[illegible]	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]	[illegible]

SOYABEANS 5,000 bu min, cents/60-lb bushel

	Close	High	Low	Prev
March	[illegible]	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	[illegible]	[illegible]
Aug	[illegible]	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]	[illegible]
Nov	[illegible]	[illegible]	[illegible]	[illegible]
Jan	[illegible]	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]	[illegible]

SOYABEAN MEAL 100 tons, $/ton

	Close	High	Low	Prev
March	[illegible]	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	[illegible]	[illegible]
Aug	[illegible]	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]	[illegible]
Oct	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]
Jan	[illegible]	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]	[illegible]

SOYABEAN OIL 60,000 lb, cents/lb

	Close	High	Low	Prev
March	[illegible]	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	[illegible]	[illegible]
Aug	[illegible]	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]	[illegible]
Oct	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]
Jan	[illegible]	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]	[illegible]

WHEAT 5,000 bu min, cents/60-lb bushel

	Close	High	Low	Prev
March	[illegible]	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]	[illegible]

SPOT PRICES—Chicago loose lard 29.00 (28.50) cents per pound. New York tin 577.0-82.0 (581.0-85.0) cents per pound.

STOCK EXCHANGE DEALINGS

Details of business done shown below have been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission.

Details relate to those securities not included in the FT Share Information Services.

Unless otherwise indicated, denominations are 25p and prices are in pence. The prices are those at which the business was done in the 24 hours up to 3.30 pm on Thursday and settled through the Stock Exchange Talisman system; they are not in order of execution but in ascending order which denotes the day's highest and lowest dealing prices.

For those securities in which no business was recorded in Thursday's Official List, the latest recorded business in the five previous days is given with the relevant date.

‡ Bargains at special prices. ● Bargains done the previous day. Δ Bargains done with non-member or executed in overseas markets.

FOREIGN GOVERNMENTS

CORPORATION & COUNTY

UK PUBLIC BOARDS

COMMONWEALTH GOVT.

FOREIGN STOCKS (coupons payable London)

CORPORATIONS—FOREIGN

BANKS, DISCOUNT

BREWERIES

COMMERCIAL, INDUSTRIAL

A—B

C—D

E—F

G—H

I—J—K

L—M

N—O—P

Q—R—S

T—U—V

W—V—Z

FINANCIAL TRUSTS

INSURANCE

INVESTMENT TRUSTS

UNIT TRUSTS

MINES—MISCELLANEOUS

MINES—SOUTH AFRICAN

OIL

PROPERTY

PLANTATIONS

SHIPPING

UTILITIES

WATERWORKS

UNLISTED SECURITIES MARKET

RULE 163 (4) (a)

Bargains marked in securities where principal market is outside the UK and Republic of Ireland. Quotation has not been granted in London and dealings are not recorded in the Official List.

Continued on Page 21

Insurances—continued

Offshore & Overseas—continued

Money Market Trust Funds

Money Market Bank Accounts

مكتبة الأصل

INTERNATIONAL COMPANIES and FINANCE

Texaco plan for $2.5bn assets sale

By Ian Hargreaves

TEXACO, the U.S. oil company, plans to sell $2.5bn of assets *as the core of its strategy to* reduce its debt load following the $10.1bn takeover of Getty Oil.

Mr Alfred DeCrane, president of the company, who was in London for the launch of a $800m convertible bond connected with the takeover, said he aimed to reduce the company's debt-equity ratio from almost 60 per cent about 35 per cent by the end of 1986. The company is carrying gross debt of $13bn.

Mr DeCrane said that in addition to selling Getty assets required under the terms of anti-trust approval *for the deal*, the company would be looking at disposal of other non-energy assets. Getty has widespread interests in cable television and insurance.

Other measures under consideration are further issues of long-term debt, to replace the existing $8bn of short-term revolving credit, and a possible issue of equity.

Mr DeCrane said he envisaged a significant part of the debt reduction in the next 2½ years coming from improved profits.

● Commonwealth Oil Refining *(Corco), the Texas oil products* terminal operator which emerged from Chapter 11 bankruptcy in 1981, warned it would have to file for bankruptcy again if a proposed recapitalisation plan was not implemented, writes *Our Financial* Staff.

The company also reported a net loss for 1983 of $12.5m or 68 cents a share, against a deficit in 1982 or $44.6m or $2.30.

The capitalisation plan involves the sale of refining assets, an exchange offer for outstanding debentures and the elimination of preferred stock.

MoDo lifts payment and proposes rights

BY DAVID BROWN IN STOCKHOLM

MODO, Sweden's third biggest forest products group, has *moved back to profits and is* backing a rights issue cash call with plans to raise its dividend.

Profits before tax for 1983 are *SKr* 368m ($47.8m), compared to losses a year earlier of SKr 168m. The turnround results almost directly from improved pulp deliveries and higher selling prices, the company says.

MoDo plans a *one-for-four* rights issue to raise around SKr 147m, and in the meantime will increase its dividend for 1983 to SKr 9.50 a share from the *SKr 7.50 paid for 1982*.

Earnings per share swung *from a loss of SKr 21 to a gain* of SKr 47. As well as a rights issue, MoDo plans a one-for-four scrip. Turnover for last year rose by 22.5 per cent to SKr *5.78bn*.

The profits include a SKr 100m share in the profits of Iggesund, the timber pulp and board producer, in which MoDo won a controlling interest last year after a long bid battle in the Swedish forest products industry.

Before net financial costs, which fell from SKr 489m to SKr 358m, the operating result was roughly doubled at SKr 626m.

Sales volume in the MoDo Cell subsidiary was up 33 per cent and operating profits grew by SKr 303m to SKr 426m. *Production* capacity was fully utilised. The MoDo paper unit also significantly increased earnings, from SKr 121m to SKr 199m.

MoDo says it has been able to increase selling prices further during the first quarter of 1984, and expects the market *will* bear even more increases.

Jacobs raises dividend

BY JOHN WICKS IN ZURICH

JACOBS SUCHARD, the Swiss coffee and chocolate concern, reports higher profits and intends to raise its dividend from 26 per cent to 29 per cent.

Group profits rose by 20.4 per cent to SwFr 110.2m ($52m) for 1983. The growth in earnings was faster than the 12.3 per cent increase in turnover to SwFr 4.56bn, which resulted from both increased volumes in coffee and chocolate and the consolidation of the French coffee subsidiary, Les Cafes Grand'mere.

● Jelmoli, the big retailer, plans to put up its 1983 dividend to SwFr 32 per share. This compares with SwFr 27 plus a SwFr 3 bonus in 1982.

Profits of the parent company rose from SwFr 11.1m to SwFr 12.2m ($5.7m), *following* an improvement in operating profits from SwFr 65.2m to SwFr 69.1m. Group turnover improved by 3.4 per cent to *nearly SwFr* 1.28bn.

● Sumitomo Bank's purchase of a majority shareholding in Gotthard Bank has been officially approved by the Swiss Banking Commission.

Dr Hermann Bodenmann, the commission chairman, said the acquisition seemed to guarantee the future of Gotthard Bank and its 500 employees.

Arbed reduces deficit

By Our Financial Staff

ARBED, the Luxembourg steel producer whose fortunes are now closely linked to those of Cockerill-Sambre of Belgium, *reports a striking* drop in losses for 1983.

Despite a further reduction in sales, net losses for last year have emerged at LuxFr 4.28bn *($46m). This* compares with the LuxFr 4.28bn loss incurred for 1982.

The 1982 deficit by the group, which in recent years has been badly mauled by *recession along with* many other steel producers in Europe, increased accumulated losses to more than LuxFr 20bn.

Turnover last year fell by 2.1 per cent to LuxFr 48bn, with steel shipments down 5.8 per cent compared with 1982.

Debt repayments in 1983 rose to LuxFr 4.63bn from LuxFr 3.63bn a year earlier.

U.S. bank may sell card unit

By Paul Taylor in New York

CONTINENTAL ILLINOIS, the Chicago-based banking *group, is considering* selling its credit card business as part of an effort to stay profitable.

The group, which last month replaced its chairman *and chief executive*, said it had been considering the sale of its Town and Country credit card business for several months and had hired Goldman Sachs, the Wall Street investment bank.

Town and Country has about 1.2m Mastercard and Visa cardholders and a $800m credit portfolio.

Mitsubishi Chemical out of red as sales improve

BY OUR FINANCIAL STAFF

MITSUBISHI Chemical, Japan's largest chemical group, has clawed its way out of the red for the year ended January 1984, but is still not paying a dividend.

Parent company after-tax profits *emerge at* Y143m ($638m) for last year, compared to midway losses totalling Y1.08bn and an overall deficit for 1982-83 of Y8.6bn.

The turnround out of the red over the second half of the year has been achieved through improved sales of *petro-chemical* products and continued heavy portfolio disposals.

Total sales improved modestly from Y741bn to Y747bn, but within this performance petrochemicals moved ahead by almost 6 per cent to Y326bn, where they accounted for some 44 per cent of overall turnover.

The other twin support to the recovery was Y18.2bn of portfolio disposals, some Y10bn more than were sold for the first half of last year. Portfolio sales totalled Y6.1bn in 1982-83.

At the operating level, the group achieved a profit of Y32.3bn, up from a profit of Y20.7bn a year earlier. Current profits for last year came to Y20bn, against Y2.2bn of losses.

The group had been expecting to return to some level of profit for 1983-84, and at one stage held out hopes for a renewed dividend.

However, the payment has again had to be passed. Shareholders last received a payment of Y5 a share, in 1980-81.

Interim rise at Cape Wine

By Our Johannesburg Correspondent

CAPE WINE and Distillers, which has a near monopoly of South Africa's wine and spirits market, increased interim pre-tax profits to R53.7m ($45.5m) in the six-months ended December 1983, *from* R45.1m *in* the corresponding period of 1982. The full year to end June 1983 brought in a pre-tax profit of R77.4m.

The directors say the profit increase was achieved despite unfavourable trading conditions and warn that unless conditions improve, it will be difficult to maintain the first half's profit growth rate during the current six months.

First-half earnings per share rose to 21.3 cents from 18.3 cents and the interim dividend has been *raised to 6 cents from* 5 cents a share. Earnings were 31.9 cents a share in the full year ended June 1983

Fairfax boosts half-year net earnings by 84%

BY LACHLAN DRUMMOND IN SYDNEY

JOHN FAIRFAX, the Sydney-based publishing and broadcasting group, has reported an 84 per cent jump in net earnings, from A$9.3m to A$17m (U.S.$16.5m) for the half-year ended December 31.

The company attributed the *improvement to higher* advertising volume for its Sydney newspapers, improved circulation and advertising returns from its magazines and good ratings for its television and radio interests

David Syme, publisher of the Melbourne Age newspaper now 86 per cent owned by Fairfax, lifted its return from A$1.82m to A$2.4m. However, withdrawal from television broadcasting in Hong Kong brought below-the-line losses, which cost Fairfax A$3.6m in extraordinary charges.

Group turnover advanced by 16 per cent to A$287m. After offsetting extraordinary profits the final attributable profit came out at A$15.96m against A$10.35m, from which an increased dividend of six cents a share, against 5.25 cents, is to be paid for a total payout of A$3m.

● Australian National Industries, the engineering group, lifted net profits by 22 per cent from A$14.8m to A$18.1m (US$17.5m) in the seven months to January 31 after unspecified contributions from the Comeng group, acquired early last year.

Turnover rose by 28.4 per cent from A$415m to A$533m. The latest profit was after tax of A$13.1m (A$11m).

The company intends lifting the final dividend from 9 cents to 9.3 cents. It is paying a steady interim payment of 6.3 cents a share.

Setback at Oversea-Chinese

By Our Financial Staff

OVERSEA-CHINESE Banking Corporation has reported a 7 per cent *fall* in *group* profits after tax, to S$114.07m (U.S.$54.7m) for the year to December 31, from S$122.61m for 1982.

At the parent bank, there was a fall of 13 per cent to S$81.85m, from S$94.11m. This figure excludes S$26.47m earned from the sale of shareholdings in International Bank of Singapore.

The final dividend is increased to 10 cents a share, from 6 cents, to make a total for the year of 16 cents, against 11 cents.

Modest increases in profits in 1983 have been recorded by two of the other "big four" Singapore banks. Development Bank of Singapore raised group net profit by 1.6 per cent to S$130.35m (U.S.$62.5m), with parent bank net income rising 1 per cent to S$109.69m, from S$108.56m. The final dividend is held at 8 per cent, making an unchanged total for the year of *16 per cent*.

Group after-tax profits at Overseas Union Bank rose by 0.6 per cent to S$52.1m (US$25m). The earnings exclude S$1.1m from sales of investments by an investment holding subsidiary, a figure comparing with S$7.5m in 1982.

OUB parent net profits rose by 4.5 per cent to S$49.6m. The final dividend is unchanged at 6 per cent, making an unaltered year's total of 16 per cent.

Overseas Union Trust, a subsidiary of OUB, increased its after-tax profits by 33.2 per cent to S$4.5m. The directors said that the company would attain "satisfactory" results in 1984, despite continuing depression in the property market

AUTHORISED UNIT TRUSTS

FT UNIT TRUST INFORMATION SERVICE

Abbey Unit Tst. Mngrs. (a)
1-3 St Paul's Churchyard EC4P 4DX 01-236 1833

High Income				
Gilts & Fixed Int.	117.7	124.5	+0.6	4.64
High Inc Equity	63.5	67.5	+0.6	6.27
Capital Growth	[illegible]	[illegible]	[illegible]	[illegible]

Britannia Gp of Unit Trusts Ltd (a) (c) (g)
Salisbury Hse, 31 Finsbury Circus, London, EC2. 01-588 2777. Dealing: 01-638 0478/0479. Britannia Viewpoint 01-673 0046

UK Specialist Funds				
Growth Gilt Trust	49.5	50.3	....	0.78
Recovery	71.7	76.5	+1.1	2.78
Smaller Cos	94.9	101.2	+0.6	1.45
Spec. Mkt. Sits.	75.5	80.5	+0.3	1.16
UK Blue Chip	60.7	64.7	+0.6	3.39
High Income Funds				
Nat. High Inc.	120.1	128.1	+2.1	6.40
Extra Inc.	46.2	49.3	+0.4	8.61

Crown Unit Trust Services Ltd.
Crown Life Hse, Woking GU21 1XW. 04862 24933

Crown High Inc. Trust	149.7	160.1	+2.6	6.11
Crown Growth Trust	137.7	147.3	+1.8	3.49
Crown Amer Trust	86.7	93.7	+0.7	1.07

Covett (John) Unit Mngt. Ltd.
Winchester Hse, 77, London Wall, EC2 588 5620

Legal & General (Unit Tst. Mngrs.) Ltd.
5 Rayleigh Rd., Brentwood 0277 217238

Midland Bank Group U.T. Mngrs. Ltd.
Courtwood House, Silver Street, Head, Sheffield, S1 3RD. Tel: 0742 79842

Save & Prosper Group
4, Great St. Helens, London EC3P 3EP
68-73 Queen St, Edinburgh EH2 4NX
Dealings: 0708-66966 or (Edin.) 031-226 7351

International Funds				
Capital	75.2	80.4	+1.0	1.22
I.T.U.	60.3	64.6	+0.7	2.24
Select International	609.0	649.6	+10.6	1.25
Univ. Growth	131.4	139.7	+3.5	1.16
Income Funds				
High-Yield	96.0	102.1	+1.8	5.76
Scotyield	87.7	93.2	+1.4	5.34

Temple Bar Unit Trust Mgrs Ltd
Electra Hse, Temple Pl, Vic Emb, WC2. 836 7766

High Income	46.4	49.4	+0.4	6.35
North American	81.7	87.0	+1.0	0.29
Canadian Trust	69.2	73.7	+0.3	0.30
Mid Mount High Inc*	58.0	60.6	....	5.98
Recovery	103.0	107.6	+0.3	2.88
Gilt Trust	39.9	41.4	+0.2	9.90

*Weekly dealing day Wednesday.

Touche, Remnant Unit Trust Mngt. Ltd.
Mermaid Hse, 2 Puddle Dock, EC4. 01-248 1250

R American Growth	21.9	23.2	+0.2	0.54
TR General Growth	29.2	31.1	+0.7	2.15

[illegible]

INSURANCES

[illegible]

MARKET REPORT

Record breaking Budget week ends with equity index up 18.7 for 5-day rise of 53.4 at peak 894.3

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
Feb 27	Mar 8	Mar 9	Mar 19
Mar 26	Apr 5	Apr 6	Apr 16
Mar 12	Mar 22	Mar 23	Apr 2

* "New-time" dealings may take place from 3.30 am two business days earlier.

London equities were still breaking records come the end of a spectacular week yesterday. The FT Industrial Ordinary share index closed at yet another all-time peak of 894.3, up 18.7 on the day; the rise on the week was 53.4, the largest ever recorded in actual points terms, but not on a percentage basis. Equity trade also continued at very high levels with turnover value yesterday matching Wednesday's £509m, a figure beaten only by January 13's record £531m.

The Chancellor's Budget has found immediate appeal, but his proposals have not been the only market stimulants. Reduction in base lending rates, with three of the main clearers moving down to 8¾ per cent, positive evidence that last year's corporate revival is continuing more strongly this year and optimism of even lower UK inflation have also impressed investors. Further encouraging pointers emerged yesterday when the Building Societies trimmed their mortgage rates by a full percentage point to 10¼ per cent against expectations of a ½ per centage point cut only.

In the first hour of business, many sizeable buying orders were effected by institutional investors. Gradually the pressure eased only to revive even more noticeably after the Building Societies' announcement.

Large lines of stock began to change hands again with interest continuing throughout the afternoon. Investors were looking confidently towards Wall Street and, although the Dow Jones index fulfilled these hopes with an early rise of twenty points, London values drifted a penny or two away from the highest. The 30-share index, which was 20.4 up at 3 pm, thus closed below the day's best.

Having lost their way since the Budget, Government securities made some response to cheaper UK money, February's lower-than-expected Public Sector Borrowing Requirement and a better performance overnight in the U.S. bond market. Last month's slowdown in recently-strong bank lending also helped sentiment but the market's overall performance seemed a little half-hearted. Short and longer dated stocks managed isolated rises of ½ but demand overall was relatively light. Index-linked issues steadied, after falling from favour earlier in the week, on prospects of lower UK inflation.

Reassuring Press comment on the industry, in the wake of the Chancellor's decision to abolish premium relief, helped Life Insurances to stage a useful rally. Closing levels were below the best, but Pearl still recovered 20 to 740p and Sun Life 15 to 590p. Prudential put on 13 at 443p and Britannic gained 11 to 438p; the latter's annual figures are scheduled for Wednesday. London and Manchester closed 13 higher at 450p following satisfactory results. Buyers remained interested in Lloyds Brokers following a leading stockbroker's recommendation that the sector could be a major beneficiary of the changes in corporation tax. Willis Faber, with preliminary figures due on Tuesday, advanced 20 more for a jump of 76 on the week to 748p. Additionally stimulated by revived takeover hopes, Hogg Robinson closed 7 better at 213p. Gains among Composites ranged to 12, GRE ended that much higher at 556p as did Royals, at 580p. Elsewhere, Alexander and Alexander softened 2 to 213½ following the revelation that the group had incurred a significant operating loss in the fourth-quarter.

Concerned about the effect the phasing out of first year capital allowances will have on their substantial leasing businesses, unsettled the major clearing banks. Around 6 harder at the outset, quotations drifted lower on sporadic offerings and NatWest finally sustained a net fall of 13 for a decline of 58 on the week to 657p. Lloyds finished 8 down at 590p, after 603p, while Barclays lost 7 at 530p and Midland 5 at 390p. Elsewhere, taxation worries clipped a further 13 from Baltic Leasing, at 250p.

Oil and gas exploration group Petranol continued its strong advance and rose 10 more to 276p; the offer-for-sale price was 125p. Among other recently-issued equities, Our Price Records firmed 5 to 258p, but Powerline, which staged a sparkling debut in the Unlisted Securities Market on Wednesday when it registered a premium of 89p over the offer price of 160p, came back 7 to 243p.

Breweries ended Budget week on a strong note with sentiment still bolstered by only modest excise duty increases. Grand Metropolitan, 336p, and Allied Lyons, 178p, improved 6 and 4 respectively, while Bass put on 10 afresh to 367p. Elsewhere, Distillers rose 9 to 272p.

Leading Buildings shrugged aside recent uncertainty and registered useful gains. Redland rose 12 to 298p and Tarmac 8 to 500p, while RMC improved 6 to 447p. Among Timber issues, Magnet and Southerns and Meyer International gained 8 apiece to 160p and 151p respectively. Housebuilders, recently overshadowed by Barratt Developments' disappointing results, perked up following the bigger-than-expected reduction in Mortgage Rate. Barratt rallied 4 to 140p, but still closed the week a net 20 down. Bryant Holdings firmed 4 to 70p and Ward Holdings added 5 at 133p. Elsewhere, French Kier rose 6 to a 1983-84 peak of 145p, while Aberdeen Construction gained a similar amount to 180p. Allied Plant were briskly traded and closed 3½ dearer at 28p. Demand in a restricted market lifted Turriff 18 to 225p, while J. Maunders revived 9 to 107p.

A combination of domestic and U.S. demand in a market short of stock lifted ICI to 618p before a close of a net 14 up at 614p. Among other Chemicals, Laporte firmed 5 to 380p and Brent put on 6 to 96p. Renewed demand ahead of next Tuesday's annual results left Rentokil 5 higher at 138p. USM-quoted R. H. Morley moved up 6 to 52p.

Stores surge

The bigger-than-expected reduction in the mortgage rate set the seal on an outstanding week for the Stores sector. Gussies A jumped 30 more for a rise of 90 on the week to 680p, while Burton, with interim figures scheduled for Tuesday, closed 15 higher at 270p. Habitat gained 10 to 346p, while Marks and Spencer, thought to be a major beneficiary of the cut in Corporation tax rate, closed 5 better and 20 higher on the week at 270p, after 273p. Elsewhere, double-figure gains were commonplace among secondary issues. J. Hepworth jumped 23 to 288p, Currys 21 to 353p and Superdrug 20 to 313p. Ahead of Wednesday's annual figures, Home Charm gained 12 to 156p, while MFI appreciated 13 to 183p and Stirling added 15 to 150p. Harris Queensway improved 14 to 362p and W. H. Smith hardened 10 to 60p. Reflecting the 46 per cent annual profits increase, George Oliver A advanced 30 to 300p.

The Electrical leaders were well to the fore in the upsurge. BICC rallied smartly to close 10 higher at 278p ahead of Wednesday's preliminary results; the company stated yesterday that in contrast to recent suggestions, the effects of corporate tax changes are expected to be broadly neutral. GEC were keenly supported and put on 10 to 268p, while Thorn EMI featured a fresh rise of 19 to 692p. Renewed buying in a limited market left CASE 63 higher at 593p. News of the bid approach prompted a late jump of 33 to 133p in D. J. Security Alarms. Standard Telephone and Cables improved 10 to 348p following Press mention, while Logica moved up 17 to 420p ahead of Tuesday's interim statement.

Interest in the Engineering sector centred mainly around the leaders. TI were actively traded again following comment on the preliminary figures and touched 300p before profit-taking brought a close of 10 higher on balance at 290p. Institutional buying lifted Vickers 7 to 162p, while Hawker were noteworthy for a rise of 12 to 414p.

Food Retailers attracted further support, albeit on a more selective basis than of late. J. Sainsbury touched 538p before settling a net 8 dearer at 535p—a five-day advance of 55. Kwik Save firmed 6 at 200p. Comment on the interim results stimulated interest in Bejam, 5 up at 156p. Among Manufacturers, Avana, overshadowed of late by the Geo. Bassett bid situation, rose 7 to 530p. Buyers also showed enthusiasm for Northern Foods, 6 up at 188p. J. N. Nichols (Vimto) continued to attract support in a thin market in front of next Thursday's preliminary results and added 10 for a two-day gain of 60 at 580p.

Ladbroke rose 5 to 260p; the full-year results are due March 28. Inn Leisure firmed 5 to 50p following a recommendation from a country broker.

Boc move ahead

Leading Miscellaneous Industrials responded smartly to institutional demand. BOC were actively traded and touched 291p before settling a few pence below the best at 288p for a net rise of 14. Among U.S. favourites, Glaxo advanced 20 to 870p and Beecham 8 to 335p, while Bowater were 5 dearer at 280p. Reflecting further strength in the Store sector, Boots closed 8 higher at 180p. Trafalgar House advanced 12 to 244p and S. Pearson 14 to 442p, while renewed demand prompted a further gain of 12 to 355p in Christies International. BET Deferred moved up 17 to 290p, while Marley, helped by the 1 per cent reduction in the mortgage rate, improved 6 to 86p. Polly Peck, up 13 at 317p, drew strength from the possible Daihatsu Motor deal aimed at establishing a project in Turkey for the manufacture of a range of motor vehicles. Rumours that RTZ had acquired a stake in the company left Pilkington Bros up 6 more at 311p, after 315p. Rank Organisation closed 2 dearer at 262p, after 258p; 10.35m shares were placed through the market yesterday on behalf of the Rank Foundation charitable trust. Late demand left Brook Street Bureau 7 up at 76p. Elsewhere, CSR put on 22 to 268p on rumours of a board change.

Television issues drew fresh strength from recent reports of booming advertising revenue. LWT "A" and TVS N/V both rose 7 to 260p and 140p respectively, while Tyne Tees "A," 188p, and HTV N/V, 262p, gained 6 apiece.

Demand ahead of their trading statements scheduled for March 28 and 29 respectively left Lex Service 14 higher at 422p and Lucas 5 better at 217p in Motors.

Advertising Agency Saatchi and Saatchi touched 670p before closing 17 higher on balance at 645p following the Board's bullish statement in the annual report. East Lancashire Paper, on the other hand, gave up 3 more for a two-day decline of 10 at 50p on further consideration of the final dividend reduction and profits setback.

Properties were displaying widespread gains by mid-session, but the pace proved a little too fast for the leaders which slipped back on profit-taking to close below the best. Land Securities settled a net 6 higher at 280p, after 286p, while Hammerson "A" closed 5 dearer at 845p, after 850p. MEPC touched a 1983-84 peak of 300p prior to closing a net 6 up at 298p. Great Portland Estates finished just a couple of pence up at 156p, after 160p. Among the second-liners, Rosehaugh found support and, in a market short of stock, advanced 19 to 404p. Demand in restricted markets lifted Mountleigh 15 to 260p and Mountview Estates 8 to 248p. Buyers favoured estate agents Bairstow Eves following the mortgage rate cut and the price gained 9 to 109p.

Imperial cheapened 2 more for a fall of 8 to 138p since the Chancellor's Budget imposition on cigarettes. Elsewhere, Bats gained 5 to 211p.

Mills and Allen provided an isolated dull feature in Financial Trusts, falling 30 to 345p on disappointment with the interim results. Stockjobbing concern Smith Bros, on the other hand, found support at 90p, up 6.

BP buoyant

Oil shares were extremely busy. BP and Shell both opened higher reflecting their strong profits performance and encountered heavy two-way trading throughout the session. BP, marked up around 20 at the outset following favourable comment on the results, moved up to a 1983-84 peak of 483p before slipping back to close at 475p, a two-day advance of 52. Shell also made a prominent start in opening 14 higher at 687p, but the rise was gradually eroded and the close was only a couple of pence dearer on balance at 675p. Interest spilled over into Britoil which touched 270p prior to closing a net 10 up at 265p. Ultramar finished 5 higher at 717p, after 720p. Elsewhere, British Borneo revived and gained 11 to 333p, while Clyde Petroleum firmed 6 to 136p. Among Irish exploration issues, Atlantic Resources, still awaiting news of the appraisal well being drilled off the coast of Waterford, moved up to 550p in the early dealings, but subsequently eased back to close 30 lower on balance at 500p.

RTZ go better

Thin trading conditions continued to prevail in South African Golds which remained overshadowed by buoyant domestic equities.

The share market gave ground at the outset reflecting the easier bullion price which dipped to $392.50 per ounce at the morning fixing. Prices staged a modest rally thereafter following the emergence of cheap buyers from Johannesburg in the wake of the rand's continued weakness against the dollar.

Once again, London operators proved reluctant to commit funds, but most closed around the day's best following persistent, albeit small support from the U.S., much of which was attributable to bear closing.

Heavyweights traded within narrow limits with gains of around a point seen in Southvaal, £46¼, and Vaal Reefs, £95¼. Western Deep firmed ½ to £43¼, but Doornfontein eased ¼ at £18½. Smaller-priced issues also failed to display a decided trend with Welkom 18 up at 942p, but Marievale 9 cheaper at 285p; with the veteran Simmer and Jack a similar amount off at 48p.

Consequently, the Gold Mines index eased 0.5 to 688.4. Bullion closed a shade above the worst at $394 per ounce, down $1.25 on the day.

London-domiciled Financials finally responded to record levels elsewhere in equities and closed at the top following a brisk two-way business. Gold Fields, 610p, and Charter, 240p, rose 10 and 5 respectively. London's premier mining stock RTZ advanced 16 to 678p reflecting the financing agreement signed by its Australian subsidiary CRA for the development of the Argyle diamond project in Western Australia. CRA, which has a 56.8 per cent interest in the joint venture, closed 22 higher at 372p.

Australian markets finished an otherwise disappointing week on an encouraging note with double-figure gains commonplace, although the rally was largely of a technical nature. Western Mining led the recovery, closing 14 higher at 273p, while other diversified counters to improve included MIM, 9 up at 222p, Peko-Wallsend, 14 dearer at 348p, and EZ Industries, 17 harder at 345p.

Southern Resources remained dull and eased 3 more to 87p; the company wishes to point out that it does not own a stake in China Camp Tin.

Elsewhere, gold/antimony producer Consolidated Murchison attracted fresh demand in a restricted market and advanced 30 to 935p.

The strength of London equities stimulated strong and persistent demand for Traded Options. Total contracts amounted to 9,087—the highest since the all-time peak of 9,727 recorded in May last year. The week's daily average was 5,070. BP attracted substantial support in the wake of the preliminary results with 1,592 calls struck, 364 in the April 420's, 30 higher at 63p, and 562 in the April 460's, 16 dearer at 23p. Active trading was also evident in GEC, which recorded 1,058 calls and 356 puts, and in ICI with 958 calls and 332 puts transacted.

FT-SE 100 INDEX

Close	1128.5	(+27.4)
Day's high	1131.3	(2.36pm)
Day's low	1110.8	(8.35am)
(Base value=1000 December 30 1983)		

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Fri March 16 1984 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Thur March 15 Index No.	Wed March 14 Index No.	Tues March 13 Index No.	Mon March 12 Index No.	Year ago (approx.) Index No.	1983-84 High	1983-84 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (205)	532.67	+2.3	8.38	3.41	15.31	520.76	516.87	516.60	511.39	455.79	532.67 (16/3/84)	413.64 (27/1/83)	532.67 (16/3/84)	50.71 (13/12/74)
2	Building Materials (24)	510.53	+2.5	10.30	4.27	12.04	498.31	495.43	495.91	492.23	455.15	510.53 (16/3/84)	402.34 (1/1/83)	510.53 (16/3/84)	44.27 (11/12/74)
4	Contracting, Construction (34)	765.63	+2.4	12.12	4.66	10.31	756.34	761.20	770.56	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
5	Electricals (15)	1792.19	+3.4	6.86	3.77	18.55	1733.57	1750.99	1767.12	1761.00	1644.24	1909.93 (3/6/83)	1523.07 (27/1/83)	1909.93 (3/6/83)	84.71 (25/6/62)
6	Electronics (24)	1886.34	+3.3	7.63	2.01	17.06	1826.74	1788.04	1772.56	1747.96	0.00	1886.34 (16/3/84)	1609.49 (9/2/84)	1886.34 (16/3/84)	1609.49 (9/2/84)
8	Mechanical Engineering (63)	245.81	+1.6	10.22	4.69	12.00	241.38	239.91	241.99	238.94	228.60	245.81 (16/3/84)	184.50 (10/1/83)	245.81 (16/3/84)	45.43 (6/1/75)
9	Metals and Metal Forming (9)	209.31	+0.8	9.85	5.98	12.79	207.72	208.26	209.74	206.79	177.64	209.74 (13/3/84)	147.60 (4/1/83)	209.74 (13/3/84)	49.65 (6/1/75)
10	Motors (17)	143.58	+2.4	1.83	3.78	—	140.28	139.02	139.08	138.42	95.29	143.58 (16/3/84)	76.73 (24/1/83)	170.59 (15/1/69)	19.91 (6/1/75)
20	Other Industrial Materials (15)	680.26	+0.5	5.67	3.44	23.34	676.71	684.38	683.44	678.41	424.07	684.38 (14/3/84)	362.02 (1/1/83)	684.38 (14/3/84)	277.55 (15/1/81)
21	CONSUMER GROUP (195)	532.39	+2.3	9.39	3.84	13.00	520.37	514.71	507.86	500.59	411.93	532.39 (16/3/84)	382.48 (13/1/83)	532.39 (16/3/84)	61.41 (13/12/74)
22	Brewers and Distillers (23)	533.07	+2.1	12.62	4.52	10.09	522.20	518.51	505.32	479.90	446.50	533.07 (16/3/84)	413.82 (17/10/83)	533.07 (16/3/84)	69.47 (13/12/74)
25	Food Manufacturing (22)	402.93	+0.9	13.01	5.31	8.89	399.49	399.20	397.24	393.98	348.13	402.93 (16/3/84)	318.68 (23/5/83)	402.93 (16/3/84)	59.67 (11/12/74)
26	Food Retailing (12)	1243.60	+1.1	6.71	2.35	19.19	1230.14	1227.08	1173.43	1128.87	844.36	1243.60 (16/3/84)	815.37 (30/3/83)	1243.60 (16/3/84)	54.25 (11/12/74)
27	Health and Household Products (9)	818.70	+2.2	7.26	2.70	20.10	800.89	794.93	788.28	772.13	745.16	870.98 (28/4/83)	663.81 (1/2/83)	870.98 (28/4/83)	175.38 (28/5/80)
29	Leisure (22)	705.86	+1.7	8.15	4.01	15.78	694.11	685.14	680.56	672.82	517.07	705.86 (16/3/84)	451.80 (12/1/83)	705.86 (16/3/84)	54.83 (9/1/75)
31	Newspapers, Publishing (15)	1292.10	+0.5	7.61	3.91	15.71	1285.46	1288.50	1289.10	1291.45	760.74	1292.10 (16/3/84)	619.26 (4/1/83)	1292.10 (16/3/84)	55.08 (6/1/75)
32	Packaging and Paper (15)	249.05	+1.4	9.88	4.02	12.50	245.63	243.82	241.39	237.79	160.27	249.05 (16/3/84)	139.78 (4/1/83)	249.05 (16/3/84)	43.46 (6/1/75)
34	Stores (47)	498.42	+3.7	6.95	3.11	19.55	480.69	475.23	462.29	444.35	357.10	498.42 (16/3/84)	324.76 (4/1/83)	498.42 (16/3/84)	52.63 (6/1/75)
35	Textiles (19)	281.10	+0.6	10.87	4.27	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	171.44 (1/1/83)	[illegible]	62.66 (11/12/74)
36	Tobaccos (3)	578.65	+1.4	17.42	5.66	6.50	570.51	551.83	534.99	540.68	445.86	579.66 (18/1/84)	395.33 (10/8/83)	579.66 (18/1/84)	94.34 (13/6/62)
39	Other Consumer (8)	474.46	+2.3	10.89	5.59	—	463.71	463.90	459.21	460.19	388.62	485.72 (30/1/84)	334.21 (1/1/83)	485.72 (30/1/84)	229.08 (28/9/81)
41	OTHER GROUPS (84)	456.58	+2.3	8.75	4.16	13.75	447.36	447.35	443.39	439.80	383.25	456.58 (16/3/84)	359.96 (1/1/83)	456.58 (16/3/84)	58.63 (6/1/75)
42	Chemicals (16)	622.73	+2.7	10.63	4.67	11.09	606.45	604.45	604.01	592.22	430.36	[illegible]	379.93 (12/1/83)	[illegible]	71.20 (2/1/75)
44	Office Equipment (5)	144.56	+1.4	7.39	5.13	17.52	142.53	142.70	140.48	140.34	103.05	144.56 (16/3/84)	80.95 (1/1/83)	246.06 (1/9/72)	45.34 (2/1/75)
45	Shipping and Transport (14)	917.96	+0.4	6.91	4.49	19.95	914.21	914.32	905.56	895.31	641.02	917.96 (16/3/84)	520.64 (4/1/83)	917.96 (16/3/84)	90.80 (29/6/62)
46	Miscellaneous (49)	609.19	+2.0	7.71	3.55	15.50	597.35	593.67	595.83	590.96	478.64	609.19 (16/3/84)	409.35 (12/1/83)	609.19 (16/3/84)	60.39 (6/7/75)
49	INDUSTRIAL GROUP (494)	526.11	+2.1	8.97	3.75	13.79	515.09	511.02	506.34	496.38	417.90	526.11 (16/3/84)	391.26 (12/1/83)	526.11 (16/3/84)	59.01 (13/12/74)
51	Oils (16)	1116.49	+2.5	11.24	6.01	10.78	1089.03	1048.80	1045.33	1037.30	757.97	1116.49 (16/3/84)	693.58 (28/2/83)	1116.49 (16/3/84)	87.23 (29/5/62)
59	500 SHARE INDEX	575.57	+2.2	9.34	4.13	13.18	563.17	556.00	551.44	541.66	446.94	575.57 (16/3/84)	419.14 (12/1/83)	575.57 (16/3/84)	63.49 (13/12/74)
61	FINANCIAL GROUP (121)	386.72	+0.9	—	5.21	—	383.58	383.32	386.95	386.07	312.04	395.23 (30/1/84)	267.24 (4/1/83)	395.23 (30/1/84)	55.88 (13/12/74)
62	Banks (6)	395.73	−1.2	22.50	6.86	5.03	400.46	398.13	420.48	407.66	341.98	425.91 (25/1/84)	273.48 (4/1/83)	425.91 (25/1/84)	62.44 (12/12/74)
63	Discount Houses (8)	475.18	+0.1	—	5.93	—	474.47	470.45	460.09	455.36	310.13	475.18 (16/3/84)	270.71 (31/1/83)	475.18 (16/3/84)	81.40 (10/12/74)
65	Insurance (Life) (9)	468.61	+2.0	—	4.83	—	459.63	465.14	461.76	483.14	382.82	557.44 (3/2/84)	332.67 (12/1/83)	557.44 (3/2/84)	44.88 (2/1/75)
66	Insurance (Composite) (9)	269.82	+2.1	—	6.34	—	264.28	264.22	260.67	259.99	196.80	269.82 (16/3/84)	174.73 (4/1/83)	269.82 (16/3/84)	43.96 (13/12/74)
67	Insurance Brokers (6)	701.37	+2.1	10.11	4.51	13.73	687.17	680.66	653.42	635.97	579.86	701.37 (16/3/84)	489.98 (1/1/83)	701.37 (16/3/84)	65.86 (16/12/74)
68	Merchant Banks (12)	245.79	+1.1	—	3.88	—	243.23	244.02	241.44	242.45	162.08	251.21 (30/1/84)	152.21 (1/1/83)	278.57 (1/5/72)	31.21 (7/1/75)
69	Property (53)	575.91	+1.5	5.21	3.45	25.78	567.51	568.76	574.32	577.12	473.76	577.12 (12/3/84)	410.57 (12/1/83)	577.12 (12/3/84)	56.01 (20/4/65)
70	Other Financial (18)	282.63	−0.3	10.01	4.87	11.89	283.59	280.50	280.20	278.65	252.44	283.65 (30/1/84)	183.23 (4/1/83)	303.18 (18/5/72)	33.29 (17/12/74)
71	Investment Trusts (106)	519.91	+1.9	—	3.46	—	510.01	509.39	501.60	497.50	412.11	519.91 (16/3/84)	358.26 (1/1/83)	519.91 (16/3/84)	71.63 (13/12/74)
81	Mining Finance (4)	326.24	+2.1	8.16	4.47	14.79	319.46	321.06	322.80	319.07	249.83	330.44 (22/8/83)	236.76 (1/1/83)	330.44 (22/8/83)	66.31 (30/9/74)
91	Overseas Traders (15)	584.26	+1.7	7.73	6.41	17.31	574.23	573.51	570.94	568.74	433.95	584.16 (16/3/84)	387.81 (4/1/83)	584.16 (16/3/84)	97.37 (6/1/75)
99	ALL-SHARE INDEX (746)	528.89	+2.0	—	4.29	—	518.74	513.74	510.98	503.64	413.33	528.89 (16/3/84)	382.22 (1/1/83)	528.89 (16/3/84)	61.92 (13/12/74)

FIXED INTEREST

	PRICE INDICES	Fri March 16	Day's change %	Thur March 15	xd adj. today	xd adj. 1984 to date
	British Government					
1	5 years	119.45	+0.27	119.12	—	1.96
2	5-15 years	133.74	+0.35	133.27	—	2.45
3	Over 15 years	142.44	+0.38	142.02	—	2.53
4	Irredeemables	154.22	+0.63	153.26	—	1.62
5	All Stocks	131.88	+0.32	131.46	—	2.30
6	Debentures and Loans	109.42	+0.08	109.33	—	2.17
7	Preference	79.30	−0.78	79.93	—	2.22

	AVERAGE GROSS REDEMPTION YIELDS		Fri March 16	Thur March 15	Year ago (approx.)	1983-84 Highs	1983-84 Lows
	British Government						
1	Low Coupons	5 years	9.87	9.92	9.15	10.18 (11/8/83)	8.69 (5/1/83)
2		15 years	10.03	10.07	10.31	10.91 (24/1/83)	9.62 (22/11/83)
3		25 years	9.66	9.70	10.31	11.18 (31/1/83)	9.47 (13/6/83)
4	Medium Coupons	5 years	10.51	10.60	11.43	12.16 (12/1/83)	10.49 (13/3/84)
5		15 years	10.53	10.57	11.17	12.16 (24/1/83)	10.41 (9/1/84)
6		25 years	9.99	10.01	10.67	11.76 (24/1/83)	9.87 (9/1/84)
7	High Coupons	5 years	10.67	10.75	11.48	12.29 (12/1/83)	10.62 (6/3/84)
8		15 years	10.66	10.69	11.39	12.28 (24/1/83)	10.61 (13/3/84)
9		25 years	10.08	10.10	10.78	11.82 (24/1/83)	9.98 (9/1/84)
10	Irredeemables †		9.61	9.66	10.10	11.07 (2/2/83)	9.49 (13/6/83)
11	Debs & Loans	5 years	11.25	11.27	12.19	12.99 (1/2/83)	11.22 (14/3/84)
12		15 years	11.39	11.40	12.33	12.88 (2/2/83)	11.36 (14/3/84)
13		25 years	11.41	11.43	12.35	1)	11.39 (14/3/84)
14	Preference †		12.36	12.25	12.20	13.24 (24/1/83)	11.90 (7/3/84)

Equity section or group	Base date	Base value	Equity section or group	Base date	Base value
Other Industrial Materials	31/12/80	287.41	Other Financial	31/12/70	128.06
Other Consumer	31/12/80	238.14	Food Manufacturing	29/12/67	114.13
Health/Household Prods.	30/12/77	261.77	Food Retailing	29/12/67	114.13
Other Groups	31/12/74	63.75	Insurance Brokers	29/12/67	96.67
Overseas Traders	31/12/74	100.00	Mining Finance	29/12/67	100.00
Electronics	30/12/83	1646.65	All Other	10/4/62	100.00
Mechanical Engineering	31/12/71	153.84	British Government	31/12/75	100.00
Office Equipment	16/1/70	162.74	Debs. & Loans	31/12/77	100.00
Industrial Group	31/12/70	128.20	Preference	31/12/77	76.72

† Flat yield. A list of the constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4, price 15p, by post 28p.

CONSTITUENT CHANGES:
Associated Leisure (29) has been deleted and replaced by Sunlight Service Group (46).

NEW HIGHS AND LOWS FOR 1983/4

NEW HIGHS (312)

BRITISH FUNDS (1)
CANADIANS (1)
BANKS (4)
BREWERS (7)
BUILDINGS (10)
CHEMICALS (1)
STORES (27)
ELECTRICALS (27)
ENGINEERING (16)
FOODS (11)
HOTELS (3)
INDUSTRIALS (47)
INSURANCE (4)
LEISURE (9)
MOTORS (4)
NEWSPAPERS (3)
PAPER (9)
PROPERTY (32)
SHIPPING (1)
SHOES (1)
TEXTILES (6)
TOBACCOS (1)
TRUSTS (81)
OILS (8)
PLANTATIONS (2)

NEW LOWS (4)

BUILDINGS (1)
Tay Homes
ELECTRICALS (3)
QAE Technology Telefusion A NV
Oceonics

RISES AND FALLS

	Yesterday Rises	Falls	Same	On the week Rises	Falls	Same
British Funds	91	3	10	238	167	114
Corpns. Dom. and Foreign Bonds	11	4	63	78	48	264
Industrials	541	137	736	2,072	911	4,081
Financial and Props.	309	30	185	1,100	330	1,190
Oils	43	19	62	180	113	312
Plantations	10	2	7	20	15	62
Mines	53	42	78	202	250	413
Others	113	27	65	408	246	360
Totals	1,171	261	1,205	4,297	2,080	8,799

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price	Day's change	Stock	Closing price	Day's change
BOC	288	+14	GEC	208	+10
BTR	473	—	Hepworth (J.)	288	+23
Barclays Bank	530	−7	Hogg Robinson	213	+7
Borrall Devs	140	+4	ICI	614	+14
BP	475	+22	Land Securities	280	+6
			Shell Transport	675	+2
			TI	290	+10

THURSDAY'S ACTIVE STOCKS

Based on bargains recorded in SE Official List

Stock	No. of changes	Last Thurs. close	Change on week	Stock	No. of changes	Last Thurs. close	Change on week
Glaxo	122	850	+65	BP	93	453	+26
Macpherson D	111	87½xd	+24	BTR	90	473	+5
Barclays Bank	106	537xd	−0½	TI	90	280	+16
Lloyds Bank	105	598xd	+18	Petranol New	87	266	+86
Midland Bank	104	395xd	−0½	Grand Met.	86	330xc	+41
ICI	95	600	+24	BAT Inds.	82	206	+19
Shell Transport	94	673	+38	Hambro Life	81	398	−24

5-DAY ACTIVE STOCKS

Based on bargains over the five-day period ending Thursday

Stock	No. of changes	Thurs. close	Day's change	Stock	No. of changes	Thurs. close	Day's change
BP	26	453	+23	Beecham	16	330	+7
Shell Transport	24	673	+28	Gus "A"	15	650	+20
TI	24	280	+30	Thorn EMI	10	673	+20
Eurotherm Intl.	19	265	−27	BAT Inds.	14	206	+10
Lloyds Bank	18	598	+10	NatWest Bank	14	670	—
Midland Bank	18	395	+7	P & O Defd.	14	300	−3
Barclays Bank	10	537	+2	Sedgwick	14	238	+6

FINANCIAL TIMES STOCK INDICES

	March 16	March 15	March 14	March 13	March 12	March 9	Year ago
Government Secs	83.33	83.12	83.43	83.50	83.48	83.14	80.74
Fixed Interest	87.16	87.15	87.48	87.46	87.28	87.14	82.09
Industrial Ord.	894.3	875.6	864.6	866.0	844.1	840.9	651.0
Gold Mines	688.4	688.9	705.1	693.4	697.9	711.7	551.0
Ord. Div. Yield	4.23	4.33	4.37	4.26	4.36	4.38	4.87
Earnings, Yld.% (full)	9.26	9.15	9.17	9.13	9.36	9.42	10.84
P/E Ratio (net) (*)	13.03	13.21	13.20	13.24	12.92	12.94	11.56
Total bargains	28,941	26,734	24,598	22,420	24,603	24,010	25,204
Equity turnover £m.	—	390.26	509.57	309.87	257.00	317.49	287.21
Equity bargains	—	24,116	25,665	20,145	21,606	25,096	24,077
Shares traded (ml)	—	300.4	256.5	150.0	146.8	189.6	178.5

10 am 887.2. 11 am 889.3. Noon 891.3. 1 pm 893.4. 2 pm 895.8. 3 pm 896.0.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial 1/7/35. Gold Mines 12/9/55. SE Activity 1974. Latest Index 01-246 8026. *Nil=12.34. † Corrected.

HIGHS AND LOWS

	1983/84 High	1983/84 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	83.77 (9/1/84)	77.00 (24/1/83)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	87.48 (14/3/84)	79.03 (1/2/83)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	894.3 (16/3/84)	598.4 (12/1/83)	894.3 (16/3/84)	49.4 (26/6/40)
Gold Mines	734.7 (15/2/83)	444.5 (1/11/83)	734.7 (15/2/83)	43.5 (26/10/71)

S.E. ACTIVITY

	March 15	March 14
Daily		
Gilt Edged Bargains	166.9	169.2
Equities Bargains	166.8	165.3
Equities Value	788.8	1003.9
5-day Average		
Gilt Edged Bargains	168.7	172.1
Equities Bargains	101.1	146.2
Equities Value	679.7	687.5

LEADERS AND LAGGARDS

Percentage changes since December 30, 1983 based on Thursday, March 15 1984

Office Equipment	+30.40	500-Share Index	+11.94
Discount Houses	+26.61	Capital Goods	+11.56
Gold Mines Index	+19.88	Building Materials	+11.42
Brewers and Distillers	+18.71	Industrial Group	+11.32
Newspapers, Publishing	+18.19	Contracting, Construction	+11.06
Metals and Metal Forming	+16.57	Electronics	+10.94
Oils	+15.17	All-Share Index	+10.25
Overseas Traders	+14.66	Tobaccos	+8.97
Food Retailing	+14.57	Food Manufacturing	+8.67
Mining Finance	+14.02	Banks	+7.01
Mechanical Engineering	+13.44	Insurance Brokers	+6.46
Motors	+13.28	Insurance (Composite)	+6.37
Shipping and Transport	+13.12	Other Groups	+5.89
Consumer Group	+12.99	Investment Trusts	+5.71
Textiles	+12.85	Property	+5.58
Leisure	+12.76	Electricals	+5.28
Health and H'sehold Products	+12.54	Financial Group	+3.84
Stores	+12.23	Other Consumer	+1.37
Packaging and Paper	+12.09	Merchant Banks	+0.50
Other Industrial Materials	+12.09	Chemicals	−3.76
		Insurance (Life)	−9.38

OPTIONS

First Deal-ings	Last Deal-ings	Last Declara-tion	For Settle-ment
Mar 5	Mar 16	June 14	June 25
Mar 19	Mar 30	June 28	July 9
Apr 2	Apr 13	July 12	July 23

For rate indications see end of Share Information Service

Stocks favoured for the call included Hawley, Keep Investment Trust, Albion, Headlam Sims and Coggins, Brunswick Oil, Intervision, Barratt Developments, Petranol, Sangers, Polly Peck, Mersey Docks, Readicut, Fleet Holdings, Suter, Squirrel Horn, J. Sainsbury, Hawtin, CPS Computer, W. E. Norton, Aberfoyle and Invergordon Distillers. Puts were taken out in Cultus Pacific, Johnson and Firth Brown, W. E. Norton and W. Canning. No doubles were reported.

RECENT ISSUES

EQUITIES

Issue price p	Amount paid up	Latest Renunc. date	1983/84 High	1983/84 Low	Stock	Closing price p	+ or −	Net Div.	Times Covered	Gross Yield	P/E Ratio
§§	F.P.	—	42	14½	Aberfoyle Hldgs. 5p	38½	+1½	—	—	—	—
‖ ‖	F.P.	—	160	145	✠Brint Invs. £1	148	+5	—	—	—	—
‡103	F.P.	27/4	182	166	Burmatex 10p	172	+6	b6.0	1.8	4.2	17.8
§93	F.P.	2/3	260	180	✠CML Mic'stems 10p	260	+8	b1.4	3.4	0.8	55.3
§87	F.P.	—	205	155	✠CPS Computer 20p	175	+8	u1.0	2.9	0.8	54.2
25	F.P.	13/4	23½	22	Cambium Venture 5p	22	—	—	—	—	—
§162	F.P.	4/4	177	174	✠Dennmans Electrical	175	—	43.5	3.9	2.9	11.3
‖ ‖	P.P.	—	120	110	✠Dewey Warren 10p	120	—	—	—	—	14.6
**	F.P.	—	29	26	Hambros Inv. Tst. War.	27	+1	—	—	—	—
*109	F.P.	17/4	91	83	✠Horne (Robert) 20p	90	+6	u8.46	9.3	3.9	10.8
—	F.P.	—	88	76	Do. N/V 'A' 20p	88	+5	u8.46	3.3	4.0	10.6
§30	F.P.	23/3	42	39	✠Kent (John) 5p	41½	+1	bg1.25	2.2	4.2	15.3
‖	F.P.	19/3	105	78	✠LPA Inds. 10p	96	−2	u2.45	2.5	4.6	12.2
§110	F.P.	3/4	138	189	Morocco Hldgs. 10p	191	—	bg8.7	8.[illegible]	2.9	14.9
§60	F.P.	4/4	80	99	✠Morgan Comm. 5p	80	+2	bg1.85	1.[illegible]	3.3	26.0
§110	F.P.	23/3	200	160	✠NorbainElectro's 5p	185	—	bd1.0	4.4	0.8	42.1
215	F.P.	27/4	268	250	Our Price 20p	258	+5	bg5.0	5.7	1.7	19.2
¶125	F.P.	15/4	276	140	Petranol 10p	276	+10	—	—	—	—
‡120	F.P.	19/4	155	140	✠Platon Intl.	155	—	bg1.64	3.5	1.5	12.9
160	F.P.	—	256	225	✠Powerline Int'l. 3p	243	−7	bg1.4	9.2	0.8	45.0
§60	F.P.	—	70	64	✠Radio Clyde N/V	67	−2	5.0	1.4	8.4	15.8
¶¶	F.P.	—	680	640	Reed Stenh'se Cls. A	650	+10	§0.60c	—	0.0	—
¶¶	F.P.	—	670	630	Do. Class C	650	+5	§0.60c	—	0.0	—
§25	F.P.	22/3	27½	25	✠Sangers Photo. 10p	25½	—	bg1.25	1.8	6.9	12.0
§78	F.P.	—	108	102	✠Scantronic 2½p	108	—	bg1.6	2.0	2.1	28.9
—	F.P.	—	64½	59	Shires Ivm. Warrants	91	—	—	—	—	—
§105	F.P.	7/5	114	108	✠Unibond	114	—	b2.8	2.2	3.5	18.3
§50	F.P.	9/9	54	44	✠Xyllyx 10p	45	−1	—	—	—	—

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1983/84 High	1983/84 Low	Stock	Closing price £	+ or −
87.918	£25	24/7	29½	26	Asian Dev. Bk. 10⅛% Ln. 2009	28½	+½
¶ ¶	F.P.	—	105½p	102p	Baring Bros. 7½% Cum. Prf. £1	102p	−2
97.072	£25	1/7	28⅝	25¼	Brixton Est. 11½pc 1st Mort. Deb. 2025	28¼	+½
* *	F.P.	30/3	111p	106p	Bulmer (H.P.) 8¾% 2nd Cum. Prf.	106p	−1
‖	Nil	3/4	344pm	256pm	ERGO 15½% Uns. Cnv. Db. 1988/91 R12	256pm	−54
99.13	£20	28/6	30½	24⅞	Elf (U.K.) 12¼% Uns. Ln. '91	30½	+¼
§98.548	F.P.	6/4	100¾	98	Grainger Tst. 11⅝% 1st Mort. Deb 2024	100¼	—
¶ ¶	F.P.	27/4	108	102¼	Hanson Tst. 8% Cnv. Un. Ln. 2004/09	107	+1
99.714	£25	26/4	35⅝	30	Int. Bk. for Rec. & Dev. 11.5% Ln. 2003	34⅞	+⅞
§95.711	£25	19/8	27⅝	24½	MEPC 10⅞pc 1st. Mort. Deb. 2024	27¼	+½
¶101	F.P.	14/5	101¼	100¼	Mid-Southern Wtr. 6¾% Red. Prf. 1991	100½	—
—	F.P.	—	100½	100	Nationwide 10¼% Bds. 28/1/85	100½	—
—	F.P.	—	100½	100	Do. 10⅛pc 18/2/85	100½	—
§97.80	£25	28/7	30½	29½	Province de Quebec 12¼% Ln. 2020	30⅝	+½
99.44	£20	10/4	30	25¼	Queens Moat 12% 1st. Mort. Deb. 2013	30	—
¶ ¶	F.P.	27/4	104	100¼	Scot. Northern Inv. Tst. 11¾% Rd. Db. 2009	103¾	+¼
99.893	£30	21/3	34½	32⅝	Spain 12% Ln. 1999	34	+½
98.00	£25	11/5	27¼	24⅞	TR City of London 11½pc Deb. 2014	27¼	+½

"RIGHTS" OFFERS

Issue price p	Amount paid up	Latest Renunc. date	1983/84 High	1983/84 Low	Stock	Closing price p	+ or −
98	Nil	20/0	2pm	1½pm	✠Airship Inds. Units	1½pm	—
630	Nil	21/3	200pm	138pm	Applied Computer 10p	148pm	—
A$7.5	Nil	2/5	240pm	216pm	Broken Hill Prop. A$2	228pm	+4
Ir.68p	Nil	—	4½pm	4½pm	Cement-Roadstone	4½pm	—
—	F.P.	—	285	198	East Daggs Options	225	+10
50	F.P.	13/3	61	54	✠Greenwich Cable Comm.	61	+1
80	Nil	—	4pm	3pm	Hawley Group 12½p	3½pm	−½
275	P.P.	9/3	326	307	Higgs & Hill	326	+3
R.50	Nil	23/3	890pm	600pm	Liberty Life R.1	900pm	—
137	F.P.	8/3	163	150	McCorquodale	158	+3
530	F.P.	14/0	840	745	✠Micro Focus 10p	850	—
185	F.P.	19/8	211	206½	Newmarket 5p	209	+4
18	Nil	21/3	13pm	11pm	Sheafbank Property 10p	13pm	—
360	F.P.	29/2	994	380	Sketchley	385	+5

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimates. d Dividend rate paid or payable on part of capital: cover based on dividend on full capital. g Assumed dividend and yield. u Forecast dividend cover based on previous year's earnings. C Canadian. F Dividend and yield based on prospectus or other official estimates for 1984. H Dividend and yield based on prospectus or other official estimates for 1983-84. Q Gross. p Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or take-over. ■ Allotment letters (or fully-paid). ‖‖ Introduction. ✠ Unlisted Securities Market. § Placing price. †† Official London Listing. ♦ Offered as units, comprising one ord and one N/V A ord. ‡ Offered as units, comprising one Red. Prf. share of 1p and 65p of 12 per cent. Conv. Ln. stk. 1995-00. [illegible]

مكتبة الأصل

INSURANCE & OVERSEAS MANAGED FUNDS

OFFSHORE AND OVERSEAS

WestAvon Secs (Guernsey) Ltd
Borough Hse, St Peter Port, Guernsey. 0481 27963

Gilt & Option Fd	£1.18	1.23xd	.....	2.50
US $ Option	$0.84	0.69	.....	—

World Wide Growth Management
10a, Boulevard Royal, Luxembourg

Worldwide Gth Fd	$13.01	+0.09	—

Inv. Adv.: M. & G. Inv. Mngt., Ltd., London.

Wren Commodity Management Ltd.
10, St. George's St., Douglas IoM 0624 25015

Wren Com. Fund	23.8	24.8	.....	—
Chinese Fund	62.7	65.3	.....	—
Precious Metal Fund	145.5	151.2	.....	—
Vanguard Cmdy. Fd.	34.5	35.4	.....	—
Financial Futures Fd.	73.2	76.2	.....	—
Wren Intl. Fnd.*	$0.814	0.847	.....	—

NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix refer to U.S. dollars. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. Z Previous day's price. ¶ Guernsey gross. # Suspended. ♦ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies. § Yield column shows annualised rate of NAV increase.

FT LONDON SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Five to Fifteen Years

Over Fifteen Years

Undated

Index-Linked

Prospective real redemption rate on projected inflation of (1) 10% and (2) 5%. (b) Bracketed figures show R.P.I. base month for indexing, i.e. 8 months prior to issue. R.P.I. for February 1984: 344.0

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

CORPORATION LOANS

COMMONWEALTH AND AFRICAN LOANS

LOANS

Building Societies

Public Board and Ind.

Financial

FOREIGN BONDS & RAILS

AMERICANS

CANADIANS

BANKS, H.P. AND LEASING

Hire Purchase, Leasing, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

CHEMICALS, PLASTICS

DRAPERY AND STORES

DRAPERY—Continued

ELECTRICALS

ENGINEERING

ENGINEERING—Continued

FOOD, GROCERIES, ETC.

HOTELS AND CATERERS

HOTELS—Continued

INDUSTRIALS (Miscel.)

INSURANCE

LEISURE

هكذا من الأصل

INDUSTRIALS—Continued

INSURANCE

LEISURE

LEISURE—Continued

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING, ADVERTISING

PROPERTY

PROPERTY—Continued

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

INVESTMENT TRUSTS—Cont.

Finance, Land, etc.

OIL AND GAS

OIL AND GAS—Continued

OVERSEAS TRADERS

PLANTATIONS

Rubbers, Palm Oil

Teas

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Finance

Diamond and Platinum

Central African

MINES—continued

Australians

1983-84 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
28½	13½	♥ACM 20c	16	−1	—	—	—
52	28	♥Allstate Expl. NL	33	−1	—	—	—
10½	3¾	♥Asia Oil & Mins.	4½	......	—	—	—
19	17	♥Aust. Hydrocarbons NL	16	......	—	—	—
40	9	♥Australis Mng. NL	28½	......	—	—	—
35	11	♥Balmoral Res.	33	......	—	—	—
60	29	♥Black Hill Mins.	33	...	—	—	—
104	51	♥Bond Corp.	100	+2	Q10c	8.7	6.8
193	116	♥Bougainville 1 Kina	175	+12	Q15.5c	♦	6.0
396	204	♥CRA $2	372	+22	Q12c	♦	2.1
145	60	♥Carr Boyd 20c	81	+1	—	—	—
44	25	♥Central Kalgoorlie	30	......	—	—	—
43	18	♥Central Pacific	22½	+½	—	—	—
9	2¼	♥Cons Gold Mng Areas	4	......	—	—	—
17	5	♥Coopers Res N.L.	7½	−½	—	—	—
255	183	♥Crusader Oil	183	......	—	—	—
28½	8	♥Cultus Pac NL	13½	......	—	—	—
19	7	♥Eagle Corp 10c	10½	+½	—	—	—
265	96	♥Emperor Mines	265	....	—	—	—
16½	8	♥Endeavour 20c	11½	......	—	—	—
58	17	♥Enterprise Gld Mines	30½	+1	—	—	—
810	500	♥GM Kalgoorlie 25c	765	+10	hQ10c	♦	0.9
24½	6	♥Gt. Eastern Mines	21½	+½	—	—	—
38	9	♥Great Victoria Gold	38	+1	—	—	—
32	15½	♥Haoma NW	18	......	—	—	—
92	26	♥Hill Minerals N.L.	34	......	—	—	—
41	13	♥Intnl Mining	19	......	—	—	—
20	5	♥Ivanhoe Gld. N.L.	8¾	......	—	—	—
100	25	♥Jingellic Minerals	36	+3	—	—	—
42	15	♥Kalbara Min 20c	18	+1	—	—	—
36	9	♥Keywest Invs.	29	......	—	—	—
12½	9¾	♥Kia Ora Gold N.L.	11¼	......	—	—	—
134	59	♥Kitchener NL 25c	100	......	—	—	—
180	48	♥Meekatharra 25c	49	......	—	—	—
58	24	♥Metals Ex 50c	50	+2	—	—	—
200	22	♥Metana Minerals N.L.	194	+4	—	—	—
52	23	♥Metramar Mns 20c	37	......	—	—	—
279	210	♥MIM Hldgs 50c	222	+9	Q5c	1.5	1.5
16	5	♥Mincorp 20c	14½	+½	—	—	—
8	3	♥Minefields Expl 25c	4½	......	—	—	—
46	23	♥Newmetal 20c	35	......	—	—	—
213	126	♥North B Hill 50c	175	+7	†Q8c	1.4	3.0
90	38	Nth. Kalgurli	77	−1	—	—	—
86	52	♥Oakbridge 50c	57	...	‡Q7c	1.5	‡
57	23	♥Otter Expl'n NL	44½	......	—	—	—
150	64	♥Pancont'l 25c	76	+2	—	—	—

Tins

Miscellaneous

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited.
- ♥ Not officially UK Listed; dealings permitted under Rule 163(4)(a).
- ♣ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- ‡‡ Dealt in under Rule 163(5).
- $ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend: cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- || No par value.

B.Fr. Belgian Francs. Fr. French Francs. §§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. D Issue price. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1983-84. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1984. K Figures based on prospectus or other official estimates for 1984. M Dividend and yield based on prospectus or other official estimates for 1983. N Dividend and yield based on prospectus or other official estimates for 1982-83. P Figures based on prospectus or other official estimates for 1983. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xc ex capital distribution.

REGIONAL AND IRISH STOCKS

The following is a selection of regional and Irish stocks, the latter being quoted in Irish currency.

Albany Inv. 20p	77	+2	Fin. 13% 97/02	£91¾	+¼
Craig & Rose £1	900	......	Alliance Gas	78	......
Finlay Pkg. 5p	46	......	Arnott	218	......
Higsons Brew	117	+2	CPI Hldgs.	82	......
Holt (Jos) 25p	900	......	Carroll Inds.	120	......
I.O.M. Stm. £1	145	......	Hall (R. & H.)	64	−2
			Helton Hldgs.	21	−1
			Irish Ropes	53	......
IRISH			Jacob (W. & R.)	58	......
Exch. 12% 1985	£98⅝	......	T.M.G.	60	......
Nat 9¾% 84/89	£87¼	......	Unidare	70xd	......

For Bridgewater see Property

OPTIONS

3-month Call Rates

Industrials		Hawker Sidd	38	Vickers	14
Allied Lyons	15	House of Fraser	26	Woolworth Hld.	50
BOC Grp.	27	I.C.I.	42		
B.S.R.	26	"Imps"	12	**Property**	
Babcock	17	I.C.L.	7½	Brit. Land	11
Barclays Bank	45	Ladbroke	23	Cap. Counties	16
Beecham	32	Legal & Gen.	45	Land Sec.	25
Blue Circle	40	Lex Service	40	MEPC	25
Boots	16	Lloyds Bank	50	Peachey	17
Bowaters	25	"Lofs"	3	Samuel Props.	12
Brit. Aerospace	20	Lucas Inds.	18	Sterling Guar.	4
B.A.T.	15	"Mams"	14		
Brown (J.)	3	Mrks. & Spncr	20		
Burton Ord.	22	Midland Bank	36	**Oils**	
Cadburys	11	N.E.I.	10	Bristol Oil & Min.	9
Comm. Union	16	Nat. West. Bank	60	Brit. Petroleum	35
Courtaulds	11	P & O Dfd.	25	Burmah Oil	17
Debenhams	14	Plessey	20	Charterhall	4
Distillers	22	Racal Elect.	18	Premier	6
Dunlop	5	R.H.M.	8	Shell	55
F.N.F.C.	6¼	Rank Org. Ord.	24	Tricentrol	20
Gen. Accident	42	Reed Intnl.	40	Ultramar	60
Gen. Electric	16	Sears	6		
Glaxo	70	T.I.	22	**Mines**	
Grand Met.	30	Tesco	16		
G.U.S. 'A'	55	Thorn EMI	55	Charter Cons.	24
Guardian	50	Trusthouse	18	Cons. Gold	58
G.K.N.	20	Turner & Newall	10	Lonrho	12
Hanson Tst.	17	Unilever	75	Rio T. Zinc	60

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 26

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £700 per annum for each security

FINANCIAL TIMES

Saturday March 17 1984

MAN IN THE NEWS

He came to praise Howe . . .

BY MALCOLM RUTHERFORD

THE CENTRAL fact about Nigel Lawson is that he has a very good mind free from prejudice.

It is also probably true that, as he says of himself, he is naturally lazy. He needs to be stimulated before he thinks about a subject. Then he thinks full-blast.

There is one other personal trait. Lawson is slightly rakish—Christ Church, not Balliol. He is excessively pleased that he has kept his hair and delights in saying that both his mother and the Prime Minister keep telling him to get it cut.

There is a touch of vanity, but it is vanity of the Coriolanus kind. Lawson is the English public school boy who does not want to go down into the market place to sell his wares, then does. He thinks that Shakespeare's Roman plays were the best of the lot, full of the Tory virtues.

All that was apparent in his approach to this week's Budget. Lawson says that he has never worked so hard in his life, with the possible exception of the time when he was Financial Secretary to the Treasury and setting up the Government's original financial strategy.

Nigel Lawson

He is whatever the masculine is for a primo donna.

There was the thespian side, too. The day after the budget he was physically exhausted, almost falling asleep in mid-paragraph. But he was also buoyed by the excitement of having had a successful first night and super reviews. He enjoyed the element of surprise—the slight pause for effect before delivering a punch-line. He is whatever is the masculine for a prima donna.

Yet there was political cunning as well. Lawson paid tribute to his predecessor, Sir Geoffrey Howe. But his own approach was utterly different.

Sir Geoffrey was collegiate, consulting almost everyone all over the place. He produced a green paper on Corporation Tax in 1982 which the present Chancellor says was very well written. The present Chancellor, however, has also reformed the tax.

Lawson says that consultation can be taken too far. A minister should first decide on a principle, then consult the interest groups—like the CBI—about the details, rather than the other way round.

He differs from Sir Geoffrey again in that he is Oxford rather than Cambridge. This may seem precious, but it is fundamental, even if hard to explain. Many of the present leaders of the Tory Party—Mr Patrick Jenkin, Mr Leon Brittan, as well as Sir Geoffrey are Cambridge. They take the micro approach to politics and pride themselves on doing so. Oxford takes the macro, as exemplified by this week's Budget.

The Chancellor did one other very clever thing. He enlisted Mr Norman Tebbit, the Secretary of State for Trade and Industry, as an ally in the early stages of the Budget's preparation. Many of the officials at that department were expected to be horrified by the proposed changes in capital allowances to industry. They strike against a whole post-war culture. It was essential to have Tebbit on his side in advance, and he got him.

It has been suggested in the last few days that Lawson is now in the running for the Tory succession. That seems to me to be absurd. He is not without ambition, but he is not a leader. Still, the Tebbit-Lawson alliance has an interest of its own.

Bonn plea adds to summit problems

BY JOHN WYLES IN BRUSSELS AND PETER RIDDELL IN LONDON

WEST GERMANY has introduced a last-minute complication into next week's vital European Comunity summit by resubmitting a proposal for limiting German payments to the EEC budget on the same basis as British payments.

Even before the move was made, the British Government was not optimistic that a settlement would be reached on budget restructuring. The summit will be held in Brussels on Monday and Tuesday.

Ministers and officials in London believe that too much work has still to be done, especially on the issue of Britain's net contributions, for full agreement to be likely.

They hope, however, that an outright breakdown, like that at Athens three months ago, can be avoided and that differences can be narrowed. This would leave open the possibility of decisions in June at the Paris summit.

The latest West German move is said to have infuriated the French. President Francois Mitterrand wanted the summit negotiations focused exclusively on a discussion paper prepared in Paris.

Moreover, the German proposal revives a position established at the summit in Athens last December, which is widely seen as making agreement on the British budget problem more difficult next week. While prepared to bargain over limits on Britain's net payments to Brussels, most other Governments are hostile to the idea of extending the same concession to Germany.

An additional difficulty is that the West German paper makes it clear that Bonn is only prepared to pay 50 per cent of its normal contribution towards meeting the cost of any concessions made to the UK.

As president of the Council of Ministers, France had assumed in recent weeks that the German budget demands were being dropped. President Mitterrand believed that German concerns would be satisfied by a summit agreement on a formula for imposing tighter control over the annual growth of agricultural and other spending.

If a deal is reached limiting Britain's payments, Bonn would be the only net contributor without any assurancea about its futur econtributions. The German paper says this is unacceptable. It proposes a ceiling on both British and German contributions based on per copita gross domestic product. It does not go into details about where the payment ceilings would be fixed, but Bonn apparently accepts that the UK's payments will be cut while its own might be fixed around the present level of 2.4bn European Currency Units.

The British line is that any deal must cover both tighter controls over the EEC budget as a whole and a further distribution of payments and receipts between countries. Moreover, any agreement must be permanent.

These conditions were emphasised last night by Sir Geoffrey Howe, the Foreign Secretary, in a speech in Bristol. He said the EEC needed to get the annual haggles on the budget off the Community agenda and it needed solutions which were durable and fair.

"We are prepared to consider the possibility of increasing own resources as part of a wider satisfactory settlement. And we have long said that we are ready to remain a modest net contributor to the Community budget—something no other member state, apart from Germany, has so far had to accept."

Inflation rate static at 5.1%

BY ROBIN PAULEY

THE ANNUAL inflation rate remained static at 5.1 per cent in February, and the signs are that inflation remains firmly under control. The key factor will be the level of wage settlements during the current pay round.

Figures published yesterday by the Employment Department show that the retail price index increased by 0.4 per cent in February after a 0.1 per cent fall in January.

The February prices rise meant that the index was 5.1 per cent higher than in February last year, the same 12-month increase as in January and lower than the 5.3 per cent of December. The index stood at 344.0 (1974=100) in February, 342.6 in January and 342.8 in December.

Mr Tom King, Employment Secretary, said the figures were excellent, showing "we are very much on course." They gave encouragement to negotiators to reach sensible wage settlements to help sustain the economic recovery, a view also stressed by the Confederation of British Industry.

Yesterday's announcement of a full percentage point cut in the mortgage interest rate will further help the downward pressure on the inflation rate, filtering through into the March and April figures to take 0.25 per cent off the annual rate.

The fall in the price index in January had been only the third monthly fall in 14 years and was largely the result of widespread and heavy price reductions in the January sales, especially on clothing, footwear and household goods.

In February, much of this effect was reversed after the sales, and the increase in the index had therefore been expected.

In addition, there were price rises during February for vegetables and tea, gas and beer and cigarettes which were only partially offset by lower petrol prices.

In the 12 months to February the annual inflation rate rose and fell between highs of 5.3 per cent (February 1983 and December) and lows of 3.7 per cent (May and June). Fluctuations are expected this year between a narrower range, probably rising slowly to around 5½ per cent in coming months before dropping back again.

The Treasury forecast is a year-end rate of around 4½ per cent.

Yesterday's inflation figure of 5.1 per cent is well below the European Community's average inflation figure of 6.8 per cent but remains persistently above that of major trading competitors such as the U.S. (4.1 per cent) and Japan (1.8 per cent).

The tax and price index which measures the gross earnings needed to keep pace with tax and price rises was 173.8 in February (1978=100), 4.2 per cent higher than a year earlier. This index was also 4.2 per cent higher in January than in January 1983.

PSBR prospects brighter, Page 3

Boycott puts NEDC in danger

By John Lloyd, Industrial Editor

THE National Economic Development Council may not survive a prolonged TUC boycott, senior officials have warned trade union leaders.

The boycott was started in protest over the Government ban on unions at the national communications headquarters, at Cheltenham. It may be confirmed at a special TUC general council meeting on Monday.

Union leaders have been told that the Government would be likely to wind up the 21-year-old institution or downgrade it substantially if the suspension continues for more than two or three months.

The split within the TUC over the issue is serious and damaging.

The 9:9 split on the TUC's economic committee last week on whether to continue the boycott means the issue must be settled by the special council meeting. Some in the TUC predict a narrow victory for the boycotters.

The final vote will depend on intense lobbying going on among those who are unsure and on the largely accidental factor of attendance at a meeting called at relatively short notice.

One of the most serious issues for the TUC has been the defection from the pro-NEDC camp of senior leaders on the centre-right, including Mr David Basnett, general secretary of the General Municipal and Boilermakers' Union. Mr Basnett is often seen as the fulcrum of the general council and is normally a supporter of the stands taken by Mr Len Murray, TUC general secretary.

Mr Basnett is strongly against rejoining NEDC. He has extended his union's boycott to take in the industry economic development councils and sector working parties.

He has been supported by Mr Tony Christopher, of the Inland Revenue Staffs, and Mr Alan Tuffin, of the Communications Workers, although they are perhaps less convinced and are the target of fierce lobbying.

A victory for Mr Basnett on Monday would be a direct challenge to the authority of Mr Murray, who has argued strongly for a return to the council. The NEDC's main work is an attempt to reach agreement on the areas for new jobs—an initiative of Mr Murray's. He attaches the greatest importance to it.

Building societies Continued from Page 1

gross following the cut in base rates.

Rates paid on National Savings are expected to be cut following the Chancellor's statement that the target sum to be raised from this source would be maintained at £3bn for the third year in succession.

Mr Herbert Walden, chairman of the Building Societies Association, said funds would still be sufficient to meet mortgage demand, which was running at just under £2bn a month.

The association expected a reduction of about £150m in volume of retail funds because of the lower investment rates. The inflow from savers last month was £654m.

Any shortfall would be met by reducing societies' average liquidity ratios from the present level of 19-20 per cent to 16-17 per cent. This would provide an additional £400m to £500m.

Such a one-off contribution from cash reserves, Mr Walden explained, had been facilitated by the recent new ruling on gilts profits.

	Monthly repayment for basic rate tax payer	
25-year mortgage	Old rate (11.25%)	New rate (10.25%)
£10,000	£77.40	£72.90
£15,000	£116.10	£109.35
£20,000	£154.80	£145.80

The average new loan is now just over £19,000 and the average existing loan about £10,000.

This had made investment in gilts, and thus high liquidity ratios, less attractive. Further funds could be raised on the wholesale markets.

The cuts in investment and mortgage rates have substantially widened societies' margins, to 0.34p a £100. Mr Walden said that this both restored margins to their June 1983 level and covered the profit lost because of the new gilts tax.

Had the latter not been imposed, Mr Walden added, mortgage rates could have been cut by a further quarter of a percentage point.

Alternatively, and more probably, the investment rate might have been cut only by three-quarters of a percentage point.

Pit ballots Continued from Page 1

a special issue of The Miner, the union journal, that Mr MacGregor, NCB chairman, is out to smash the industry and was "putting two fingers up at the whole membership."

Mr Scargill may be faced with calls from leaders in the moderate areas for a special executive meeting which they would use to press for a national ballot. Mr Trevor Bell, general secretary of the union's white collar section, Cosa, and Mr Tom Callan, Durham area secretary, have called for a ballot.

Under union rules only the president or the general secretary may call such a meeting. It is unlikely Mr Scargill will wish to hold one in the near future.

Evidence is limited of the strikes having an effect on other industries. Scots miners have picketed Tullis Russell, the paper-making company in Glenrothes, to slop supplies of coal. The British Steel Corporation's Cleveland works on Teesside has halted production of pit roof supports.

Shares Continued from Page 1

spurred by the fall in bank base rates and a string of encouraging results from leading companies. The dividend rise from such widely held companies as British Petroleum and Royal Dutch/Shell has done much to maintain the market's momentum.

According to Datastream calculations, shares traded in London have increased in value by about 9.6bn this week, £7.9bn of which came after the Budget.

Some brokers are beginning to think in terms of an index at 1,000 by the summer "particularly, as one said, "if the U.S. gets to grips with its own budget deficit."

"U.S. dealers were strongly evident in London. One partner of a medium-sized broking firm said: "If we are seeing some buying, you can bet the leading houses are doing a lot of U.S. business."

There was, however, a marked undertone of nervousness. One fund manager was reported by a broker as saying: "I'm glad I'm fully invested so I don't have to make any silly decisions." Another said: "I wish I had the courage to sell."

In New York, the Dow Jones industrial average was 22.09 points higher by lunchtime at 1,189.49 with more than 82m shares changing hands in a broad-based rally with advancing stocks outnumbering those declining by more than eight to one.

The equity market was also helped by the moderate 0.4 per cent increase in producer prices announced yesterday morning which helped calm Wall Street's inflation concerns.

Wall Street's credit markets were taking a less rosy view, reflecting doubts about the real meaning of the deficit-cutting agreement, continuing concern about the pace of the U.S. economic recovery highlighted yesterday by another stream of strong economic data, nervousness about Fed monetary policy and fears about higher short-term interest rates.

In the currency market, the U.S. budget deficit agreement and further evidence of strong growth in the U.S. economy boosted the dollar in thin and nervous pre-weekend trading.

The dollar closed in London at DM 2.6225, up from Thursday's close of DM 2.5805, and the Bank of England calculated that its trade-weighted index against a basket of currencies rose to 126.7 from 125.9.

Sterling lost 1.6 cents against the U.S. dollar to close at $1.4470, but registered modest gains against most European currencies.

The pound's trade-weighted index rose fractionally to close in London at 80.9, up from 80.8.

In early trading in New York the firm short-term money market rates helped the dollar

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES					
Treas. 9½pc 1988	£98⅞	+ ⅝	Oliver (Geo.) A	300	+ 30
Exch. 12pc 1999-02	£112¾	+ ⅞	Polly Peck	317	+ 13
BICC	278	+ 18	Redland	298	+ 12
BOC	258	+ 14	TI	290	+ 10
B.E.T. Defd.	290	+ 17	Trafalgar House	244	+ 12
Brook St. Bureau	76	+ 7	Vickers	162	+ 7
Burton	270	+ 15	Willis Faber	748	+ 20
CSR	266	+ 22	BP	475	+ 22
Christies Int'l	358	+ 12	Britoil	265	+ 10
C.A.S.E.	593	+ 63	Burmah Oil	192	+ 8
D.J. Security Alarms	133	+ 38	Petranol New	276	+ 10
Grand Met	336	+ 6	CRA	372	+ 22
GUS A	680	+ 30	RTZ	678	+ 16
			FALLS		
Hepworth (J.)	288	+ 23	Mills & Allan Int'l.	345	− 20
ICI	614	+ 14	Atlantic Resources	500	− 30

WORLDWIDE WEATHER

UK today: Mostly cold and sunny but cloudy with wintry showers in eastern districts. Some frost and fog.

		Y'day midday °C	°F			Y'day midday °C	°F			Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	F	14	57	Corfu	F	10	50	L. Ang.†	C	12	54	Peking	S	9	48
Algiers	C	15	59	Dallas	C	13	55	Luxmbg.	S	8	46	Perth	C	20	68
Amsdm.	F	4	39	Dublin	C	4	39	Madeira	C	15	59	Prague	F	8	46
Athens	F	12	54	Dbrvnk.	R	8	45	Madrid	C	5	41	Reykjvk.	C	4	39
Barcins.	R	7	45	Ednbgh.	F	5	41	Majorca	T	11	52	Rhodes	C	13	55
Belfast	F	5	41	Faro	F	15	59	Malaga	F	14	57	Rio J'o†	—	—	—
Belgrd.	C	7	45	Frankft.	S	7	45	Malta	C	14	57	Salzbg.	S	10	50
Berlin	S	4	39	Geneva	S	8	46	M'chstr.	C	5	41	S F'cisco†	F	10	50
Biarritz	C	9	48	Gibraltar	F	14	57	Melbne.	F	19	66	Singapr.	F	31	88
Bmghm.	R	3	37	Glasgow	F	7	45	Mx. C.	—	—	—	S'tiago	—	—	—
Blackpl.	C	5	41	G'nsey	C	4	39	Miami†	C	20	68	Stckhm.	S	−1	30
Bombay	S	34	93	Helsinki	S	−4	25	Montrl.†	F	−5	23	Strasbg.	S	7	45
Bordx.	S	11	52	H Kong	F	26	79	Moscow	C	0	32	Sydney	C	22	72
Boulgn.	C	4	39	Innsbrk.	S	7	45	Munich	S	7	45	Tel Aviv	S	21	70
Bristol	C	4	39	Invrnss.	C	6	43	Nassau	—	—	—	Tenerife	F	18	64
Brussels	S	5	41	I.o.Man	F	5	41	Nwcstl.	R	3	37	Tokyo	R	3	37
Budpst.	F	8	46	Istanbul	F	9	48	N Delhi	S	28	82	Toronto†	R	2	36
Cairo	C	24	75	Jersey	C	6	43	N York	—	—	—	Tunis	F	15	59
Cardiff	C	4	39	Jo'burg	S	27	81	Nice	R	8	46	Valencia	S	14	57
Cape T.	S	30	86	L. Plms.	F	19	66	Nicosia	C	15	59	Venice	S	10	50
Chic'go†	C	2	36	Lisbon	C	12	54	Oporto	C	8	46	Vienna	F	8	48
Cologne	S	9	48	Locarno	C	9	48	Oslo	S	3	37	Zurich	S	6	43
Cpnhgn.	Sn	0	32	London	C	5	41	Paris	S	6	43				

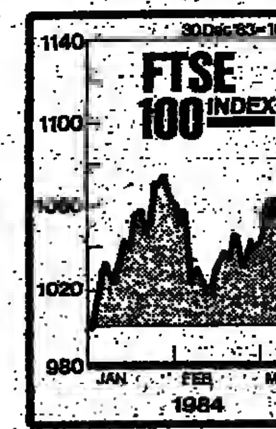
C—Cloudy. Dr—Drizzle. F—Fair. Fg—Fog. H—Hail. R—Rain. S—Sunny. Sl—Sleet. Sn—Snow. T—Thunder.
† Noon GMT temperatures.

THE LEX COLUMN

All smiles in the Square Mile

The warm applause which greeted the Chancellor's Budget in the House of Commons on Tuesday has been reverberating around the City all week. The striking gains posted by all the leading equity indices have sent the statisticians scurrying to their record-books while the almost unprecedented trading volumes have allowed stockbrokers to contemplate their bonuses for the financial year just ending with more than usual relish.

Index rose 18.7 to 894.3



The FT 30-Share Index failed only narrowly yesterday to breach the 900 level and the FTSE Index has made its recently established base of 1,000 look distant history. While the Budget may have overshadowed everything else this week, the equity market has been encouraged by so many other apparently bullish indicators that it would have taken a bold fund manager indeed to break away from the herd.

On the face of it, Tuesday's corporation tax measure should not have set the whole market alight. As late as yesterday afternoon, stockbroking analysts and the companies themselves were struggling to calculate the net effect of the various changes and, even if it were possible to quantify the impact on current earnings, it is still far too early to anticipate the longer term effect on corporate investment patterns.

To judge from the Treasury's own sums, there should be roughly as many losers as winners, but the stock market seems prepared to give almost everyone the benefit of the doubt. Over the week as a whole, the only sectors of the FT-A All-Share Index not to show a gain were the clear losers, banks and life assurance.

Perhaps the stock market was impressed less by the fine print than by the broad thrust of the Budget, in particular the confidence of the Chancellor's performance and the reassuringly stable framework which the seemed to be building for the future. Through the technicalities, the prospect of a 35 per cent corporation tax rate shone out as an unambiguous commitment to industry. On the other side of the coin, the new structure of allowances should boost taxable profits and so give those companies which currently feel hampered by ACT restrictions greater freedom to raise their dividends. And no one was complaining about the abolition of the National Insurance Surcharge, even if some of the benefit to corporate wage bills is passed on to the customer by way of lower prices.

In the general mood of euphoria — to which the halving of stamp duty no doubt contributed — the equity market was even prepared to swallow official inflation and growth projections which, in the sober eyes of the gilt-edged market, are viewed with some caution. There could hardly have been a more effective counterpoint to the Chancellor's forecast of 4½ per cent end-year inflation than the dividend increases of a fifth announced by both BP and Shell on Thursday.

Indeed, the Budget coincided with a whole raft of major British companies not only producing attractive profits and dividends for 1983, but also decidedly optimistic statements about the current year. The absence of rights issues to accompany these results only enhanced the market's general enthusiasm.

As if all this were not enough, Wall Street suddenly concluded that the U.S. budget deficit might not be quite the immovable object it looked the previous week and good money supply figures also helping to relieve the gloom. U.S. equities moved ahead.

The only market participants to feel less than unalloyed joy at this bevy of good news were the fund managers who started the week short of stock. The jobbers were themselves scrambling to fill up their depleted books for much of the week and yesterday morning, just as it began to look as if the market might be running out of steam, the building societies obliged with a 1 per cent cut in their mortgage ra

By yesterday evening, a few of the coolest heads in the market were considering the yawning gulf between the per cent yields on equities and apparently immutable gilt-edged. Within a months stock shortage may the least of the market's ries and, after the run so this year, there are plenty profits to take. For the inve ment community, there abundant food for thought weekend.

Mills & Allen

By turning in a really dis pointing set of interim figures pre-tax profits of £9.49 the six months to Decem were 10 per cent short of previous half-year—Mills Allen may itself turn out more conspicuous walkover yesterday's party. It may have given a few moments to the many corporate engineers around the City who are dently plotting together ancial service conglomerates.

The immediate worry clearly the drop of someth more than in Mills' tral activity of money brok where the difficulties seem have arisen mainly in the posit markets (rather than foreign exchange). Stability interest rates made for volume in a business with ing fixed costs, and while ing environment has bec much healthier since the of the year, it looks as if has been losing some ma share to the likes of Mercar House and Exco.

The case for optimism is Mills has put a lot of into growing the other part its empire, securities dea and retail insurance broking itself a sensible way to management resources the generally shared assump that money broking growth likely to be slowing over next few years. Garbon, dealer in U.S. Treasury pa is to start operating in Lond while the rolling acquisition high-street insurance means that Mills is the possessor of a national c of financial boutiques. Yet coherence of this structure not becoming much apparent as it grows, filling the shops with in-house financial products could tually demand fresh equity as well as supplies of ingenui

FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

No. 29,275 — Monday March 19 1984 — D 8523 B

Euphoria gives way to reality in Argentina, Page 14

NEWS SUMMARY

GENERAL

Egypt moves to defend Sudan

Egypt and Sudan have invoked a mutual defence pact after Friday's air attack on the Sudanese city of Omdurman which both countries say Libya carried out.

Egypt said the bombs and aircraft used could only have come from Libya.

The call-up of Egyptian forces – with 500,000 men under arms the biggest military power in the Arab world – is intended to deter any further attack on Sudan. Page 2

Formal Lebanon talks suspended

Lebanon's leaders suspended formal bargaining on political reforms in favour of private negotiations at national reconciliation talks in Switzerland.

Their move came after 13 people were reported killed in renewed Beirut fighting despite Tuesday's ceasefire. Earlier story, Page 2

Munich election

West Germany's Social Democrats looked set to recapture the post of mayor of Munich after a six-year interval. Herr Georg Kronawitter, SPD mayor in 1972-78, had 48.4 per cent of the vote in early results against 44.3 per cent for the Christian Social Union incumbent.

Irish extradition

Dominic McGlinchey, 30, alleged leader of the Irish National Liberation Army, was extradited to Northern Ireland from the Irish Republic, the first extradition for security rather than criminal offences. Page 18

U.S. 'committed'

President Ronald Reagan said he was committed to maintaining the U.S. contribution to defending Western Europe.

Meese faces probe

The U.S. Justice Department said it was considering investigating the financial dealings of White House councellor Edwin Meese, nominated attorney general. Page 3

Salvador disruption

Left-wing Salvadorean guerrillas are combining a military offensive with moves such as seizing key junctions on main roads to disrupt presidential elections on Sunday.

'Nerve gas' attacks

Iran accused Iraq of using microbic and nerve gases in three bombing raids on Iranian troops in the southern Gulf war front on Saturday. Sound and fury of Basra, Page 2

Indian dock warning

Leaders of striking dock workers who have paralysed Indian ports said they may ask foreign unions to boycott ships if armed forces bring essential supplies ashore. Page 2

Four die in riot

Four people died in what was thought to be a riot between Moslems and Hindus in Calcutta. The four included a senior police officer.

Regan in Peking

U.S. Treasury Secretary Donald Regan arrived in Peking to bolster economic ties with China and "enhance the prospects" for President Ronald Reagan's visit next month.

Oxford record

Oxford won the 130th university boat race – its ninth in a row – in a record time of 16 minutes 45 seconds. The race had been postponed by 24 hours after the Cambridge crew destroyed their boat on Saturday by smashing into a barge moored in the River Thames.

BUSINESS

French trade deficit at $569m

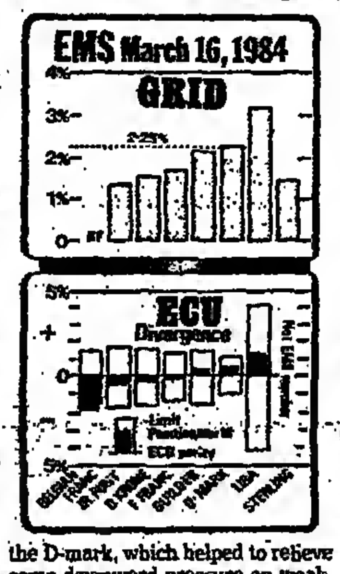
FRANCE reported a trade deficit of FFr 4.6bn ($569m) last month, taking the deficit for the first two months to FFr 10.2bn against FFr 43.4bn for all of 1983. Unemployment rose 8.6 per cent on a 12-month basis to a seasonally-adjusted record of 2.19m. Page 18

SWIRE PROPERTIES, Hong Kong property developer, announced 1983 net profits of HK$ 330.4m ($42.4m) against HK$ 318m. Page 18

ALITALIA, Italy's state airline, plans to expand North Atlantic services, including the introduction of four weekly flights to Los Angeles. Page 4

U.S. BOND PRICES plunged to new lows, partly on U.S. monetary and fiscal policy imbalance and inflation fears. Page 18

TRADING in the European Monetary System was subdued last week. The dollar was firmer against the D-mark, which helped to relieve some downward pressure on weaker currencies.



The Belgian franc lost ground as speculators moved into other currencies ahead of the weekend on the possibility of a realignment.

Earlier in the week it touched its best level since last September in terms of the European currency unit, although it remained outside its divergence limit and was fixed at its cross-rate floor against the D-Mark. The Belgian Government's latest austerity package had no significant impact.

The chart shows the two constraints on European Monetary System exchange rates. The upper grid, based on the weakest currency in the system, defines the cross rates from which no currency (except the lira) may move more than 2¼ per cent. The lower chart gives each currency's divergence from its "central rate" against the European Currency Unit (ECU), itself a basket of European currencies.

DAIMLER-BENZ introduces a new range of medium trucks, from 6.5 to 11 tonnes gross weight, in West Germany this week. Page 18

MIRROR NEWSPAPERS' London Stock Exchange flotation has been put back until after the planned mid-May flotation of communications group Reuters. Page 9

SHORT BROTHERS, the state-owned Belfast aircraft company, is to be a risk-sharing partner in the F100 jet to be built by Fokker of the Netherlands. Page 7

LOEWS, U.S. hotels, cigarettes and insurance group, paid about $100m for an 8.5 per cent share in St Regis, reviving speculation that the U.S. forest products company is ripe for takeover. Page 18

BANCO DI ROMA, Italy's fifth biggest bank, reported a 17 per cent rise in 1983 net profits to L34.6bn ($21.3m). Page 18

BROKEN HILL PTY, Australia's mining, steel and natural resources concern, is to break new ground in the Euromarkets by using the bond market to finance a major part of a coal mining project. Page 17

British payments key to success of EEC summit

BY JOHN WYLES IN BRUSSELS

European Community heads of government will today start the most vital EEC summit for 10 years, conscious that the consequences of failure could be calamitous but still uncertain whether their differences over the key British budget problem can be bridged.

Most national capitals believe the stage has been set for a highly tactical but ultimately successful negotiation of all other key issues as a result of three months of contacts behind the scenes, vigorous personal diplomacy by President François Mitterrand of France and broadly successful negotiations at the weekend by agriculture ministers.

None of the potential settlements on agriculture and budgetary reform can go through, however, without a satisfactory answer to Britain's demands for cuts in its payments to the Brussels budget.

This puts Mrs Margaret Thatcher, the British Prime Minister, in the politically precarious position of holding the key to success or failure. She has been placed there partly by M Mitterrand's design. As President of the European Council he has masterminded the approach to the summit in the hope that isolation will reduce her alleged inflexibility.

Mrs Thatcher's officials were saying at the weekend that the British approach would be "committed, positive and imaginative." If the summit did not succeed, "it will not be for the want of trying on our part," said one official.

The strongest complaint in the British delegation is that France has not encouraged enough preparatory negotiation on the budget problem and that the summit may be left with too much to do.

Its task has been further complicated by West Germany's revival at the end of last week of an earlier demand for limits on its own budget payments. M Roland Dumas, France's Minister for European Affairs, attended talks in Bonn yesterday and in London on Saturday in an apparent last minute attempt to win support for France's suggested approach to the Anglo-German budget problems.

This was set out in a summit paper covering all the main issues delivered to EEC capitals late on Friday. Criticised as "vague and unclear" on the budget issue by British officials, the paper acknowledges the case for correcting a government's budget payments if they are too high and for basing the correction on its relative wealth.

It also guarantees that any correction would last as long as the new ceiling on the EEC's budget revenues which the summit has to agree now that all money available under the current 1 per cent VAT ceiling is being spent.

Continued on Page 16

Foreign Affairs, Page 15
France outlines the key issues, Page 3: EEC farm deal is cause for muted celebration, Page 3

Reagan opposes bid to block U.S. oil mergers

BY WILLIAM HALL IN NEW YORK

PLANS for a six-month ban on mergers between major U.S. oil companies appear to be doomed after the Reagan Administration's announcement that it will oppose any such move.

The Administration's decision to actively resist attempts to stop the series of proposed oil industry mergers is a setback for those U.S. politicians who argue that the mergers are not in the country's best interest.

It is a victory, however, for major oil companies like Socal and Mobil which have been lobbying actively in Washington to persuade politicians to drop plans for legislation which could jeopardise their respective takeovers of Gulf Corporation and Superior Oil.

The Reagan Administration's announcement on Friday that it was against an across-the-board legislative ban surprised observers who had earlier argued that it would be hard pressed to veto legislation favouring a six-month breathing space only.

Oil shares soared on Wall Street after the White House statement. Gulf jumped $5⅝ to $72, as traders became increasingly confident that Socal's $80 per share bid would be allowed to proceed.

Senator J. Bennett Johnston, a Louisiana Democrat, and several colleagues had planned to introduce legislation this week which would result in a six-month ban on mergers between the top 50 U.S. oil companies so that Congress and the oil industry could decide what was in the country's best interests.

The ban would cover Socal's $13.2bn bid for Gulf and Mobil's $5.7bn bid for Superior Oil.

The White House said on Friday that it believed existing anti-trust laws gave federal agencies ample authority to review and analyse the effect on competition of mergers among major oil companies.

It added that "suspending the application of our general anti-trust laws would arbitrarily interfere with the operation of the free market and create unnecessary confusion."

The Administration's plan to veto any Congress-inspired ban on oil mergers is a major victory for the oil lobby, which has argued that this sort of potential political intervention was unfair and destabilising.

Mr William Tavoulareas, president of Mobil, told the Senate Judiciary Committee on Thursday that a temporary ban "would set a dangerous precedent."

The Administration's decision could refuel the merger mania which has gripped Wall Street recently. Mr George Keller, chairman of Socal, admitted to the Senate Judiciary Committee on Thursday that he was no longer sure that his company could find oil and gas reserves more cheaply than it could buy them on Wall Street.

"We have one of the most efficient and successful exploration organisations in the oil business. Nevertheless, our reserves have been gradually declining" he told last week's Senate hearings.

He cited the fact that the U.S. had been extensively explored, the Federal Government had withdrawn large areas of public land from exploration and foreign countries were driving increasingly hard bargains, as reasons why big oil companies were turning to acquisitions to boost their fast-depleting reserve base.

Warner buys back Murdoch stake, Page 16

UK miners' union resists calls for ballot on national pit strike

BY JOHN LLOYD, INDUSTRIAL EDITOR, IN LONDON

MINEWORKERS' leaders in Britain were last night resisting pressures for a national ballot on whether there should be a national strike against the pit closure programme.

Results of ballots conducted on a regional coalfield basis at the weekend indicate that a national ballot would come out narrowly in favour of a strike – but the risk of failure for the leadership's militant strategy would be high.

Mr Arthur Scargill, National Union of Miners' president, consulted his executive colleagues yesterday and indicated that the leadership would agree to meet to discuss the progress of a dispute which has led to scenes of near anarchy throughout UK coalfields.

Miners are deeply divided over whether to strike in support of the union's stance against pit closures. Collieries, chiefly in Nottinghamshire, where miners have said they will work on, have faced provocation from flying pickets drafted in from pits in neighbouring Yorkshire. During violent clashes last week, a young picket was killed.

Police presence in Nottinghamshire and other Midlands coalfields built up steadily yesterday and motorway patrols were put in positions to turn back flying pickets if their numbers were judged to be excessive.

It appeared likely that pickets from Yorkshire – whose area executive was holding an emergency meeting last night – will again travel to Nottingham and other areas to attempt to shut the pits where mineworkers have indicated they wish to work. Pickets from South Wales and Kent are also likely to move to the Midlands areas.

A meeting of delegates from the Nottinghamshire pits yesterday resolved that the county's 34,000 mineworkers should return to work today.

Mr Ray Chadburn, the area president, said after the meeting: "We think it would be wise and productive for other people from other areas to stay in their areas."

Pickets will meet a formidable force of police drawn from 18 forces, including a number of officers trained in riot control. They are billeted in three army camps, near Ollerton, Newark and Grantham.

Nottinghamshire miners have made clear in radio and TV interviews over the weekend that they intend to go to work – though some said they would avoid the main pit entrances.

Mr Charles McLachlan, the Nottinghamshire chief constable, issued a statement saying that those

Continued on Page 16

Editorial comment, Page 14

Victories boost Mondale campaign

By Reginald Dale, U.S. Editor, in Washington

MR WALTER MONDALE has kept his campaign for the White House alive, winning Democratic caucuses at the weekend in Michigan and Arkansas and taking a narrow lead in Mississippi.

"We're fighting back," the former Vice-President said, after the early string of upset victories by his main rival for this year's Democratic presidential candidacy, Senator Gary Hart of Colorado.

In Saturday's voting in four caucus states Mr Hart failed to emerge with a win. The Rev Jesse Jackson, the third remaining contender, produced his best showing so far. He beat the other two men in South Carolina, although uncommitted delegates topped the list, and ran unexpectedly strongly in Arkansas and Mississippi. Results were still awaited from Kentucky.

Mr Richard Wiener, the Democratic Party chairman in Michigan, called Mr Mondale's victory "a dramatic reversal of fortunes" that would give him a major boost in advance of the next crucial vote, Tuesday's primary in Illinois.

Mr Mondale's credibility would have been seriously damaged if he had failed to carry Michigan which, with its strong trade unions, is tailor-made for his candidacy.

Mr Mondale, however, has still failed to win a major primary, doing better in caucus states where turnouts are low and his powerful organisation can be brought more easily to bear.

Mr Mondale is also suffering from the continuing candidacy of Mr Jackson, who has drawn away considerable numbers of black voters who would otherwise vote for Mr Mondale. He may well do so again in Illinois.

Both the Hart and Mondale camps yesterday indicated that their polls showed a neck-and-neck race in Illinois.

● AP reports from San Juan: Mr Mondale appeared to have won an overwhelming 99 per cent of the vote in yesterday's Puerto Rico primary, although Mr Hart claimed that it was not an "open" election.

Mr Hart's supporters, and those of Sen John Glenn, who withdrew from the race on Friday, met yesterday to elect a slate of delegates which they will try to seat at the convention in July.

Nigeria plans to repay $6bn trade debts

BY QUENTIN PEEL, AFRICA EDITOR, IN LONDON

NIGERIA will circulate final details of its proposals for repayment of up to $6bn in trade arrears as a formal offer to uninsured creditors by the end of March, according to banking advisers to the Nigerian Government.

The text of the letter of offer is being finalised this week by the Nigerian Government in Lagos, before it is returned in London for printing and distribution. Creditors will then have six weeks in which to reply.

Nigerian officials insist that they are not prepared to improve on the basic terms of the rescheduling proposal, which is likely to affect thousands of suppliers throughout the world. However, large groups of creditors, including British, U.S., Japanese, West German and Indian companies, are known to be unhappy about the deal.

No company has yet agreed to the offer officially, but a number of major suppliers, including several large government contractors, are understood to have accepted the terms in principle. Nigerian officials say that these companies are owed as much as $2bn of the total outstanding.

Nigeria is offering six-year promissory notes, with a 2½-year grace period, carrying an interest rate of 1 percentage point over the London interbank offered rate (Libor). The terms do not include any provision for interest owed on arrears before December 31, 1983.

The arrears have been accumulated over the past two years by the Central Bank of Nigeria, which has rationed its foreign exchange payments for imports of goods and services to the much reduced level of earnings from oil exports.

Major creditors are concerned that the promissory notes will not be readily discountable. They might also be subject to discriminatory treatment by the Nigerian authorities when they fall due for repayment, it is feared.

Some 350 companies supplying Nigeria, including British, Japanese and American suppliers, have formed a group in London to negotiate better terms.

The company with the largest single amount of payments outstanding, ITT, the U.S. telecommunications manufacturer which is owed some $300m, is understood to be very close to agreement. A spokesman said yesterday that no deal had yet been reached.

Peru 'set to reduce reliance on banks'

BY PETER MONTAGNON IN LONDON

PERU should be able to start repaying some of its debt to commercial banks from next July when its new rescheduling arrangement runs out, according to Mr Brian Jensen, general manager of its Central Bank.

This could make Peru, whose total debt is nearly $12bn, the first major Latin American debtor to start systematically reducing its dependence on commercial bank loans since the debt crisis started.

Mr Jensen, in London for talks with commercial bankers, explained that by the second half of next year Peru's current account balance of payments deficit would be small enough to be financed entirely from non-bank sources. There would even be cash left over to repay medium and long-term debt to commerical banks.

"If current projections hold, we do not expect Peru to need the kind of refinancing of recent times," he said. In future Peru would still be a net importer of capital, "but we intend to get away from high cost commercial bank borrowing."

Bilateral loans from Governments, borrowing from official sources, such as the World Bank, and net investment inflows should help to reduce Peru's dependence on banks, which provide more than a third of its debt, he said.

Next July, when the current rescheduling runs out, coincides with the end of the present Peruvian Government's term of office. Bankers say that Mr Jensen's predictions have to be taken with some circumspection because it is not certain what will happen afterwards.

They add, however, that Peru has made a positive impression on international banks by not seeking

Continued on Page 16

Default problem for Costa Rica, Page 3

CONTENTS